

STAND. COM. REP. NO.

517

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 1359

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1359 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE PHARMACY ASSISTANCE PROGRAM,"

begs leave to report as follows:

The purpose of this bill is to improve the efficiency and effectiveness of Hawaii's two prescription drug programs, thereby further reducing the cost of prescription drugs for Hawaii's uninsured, underinsured, low-income, elderly, and disabled residents.

Specifically, this bill combines the Rx plus program, intended to help a large population of Hawaii residents, regardless of age, to take advantage of discounted prices for their prescription drug needs when no other insurance or payor are available to them and the state medicare part D state pharmacy assistance program, which covers the co-payments for medicare and medicaid dual-eligible clients to ensure a smooth transition of prescription drug coverage from medicaid to medicare.

This bill also appropriates \$50,000 for the Department of Human Services to study the size of the target population, utilization data, and other information as needed in order to identify the amount of the appropriation needed to implement the secondary discount price and other costs of the program.



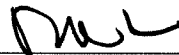
Your Committee received testimony in support of this bill from the Department of Human Services and the National Multiple Sclerosis Society. AARP Hawaii offered comments.

Your Committee finds that both the Rx plus program and the state pharmacy assistance program are recognizable under federal law as state pharmacy assistance programs and, if they are combined under an umbrella program and approved as a single federally recognized program, could receive enhanced benefits from the federal Centers for Medicare and Medicaid Services. The state pharmacy assistance program would remain the same and its enrollees would be identified as "tier one enrollees". The Rx plus program would remain the same and their enrollees would be identified as "tier two enrollees". In addition, this bill would provide prescription drug assistance for a subset of the Rx plus program population, identified as "tier three enrollees" who may be at risk of becoming medicaid-eligible.

Your Committee also finds that the consolidation of the two pharmacy assistance programs will increase the efficiency and effectiveness of the operation of the programs as well as increase the State's power to negotiate larger drug discounts.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1359 and recommends that it be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



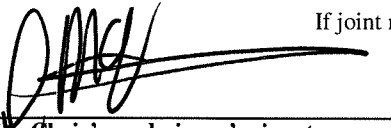
ROBERT N. HERKES, Chair



HSCR 517

State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1359		Date: February 14, 2007		
Committee Referral: HLT/ HSH, CPC, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended <input type="checkbox"/> Hold		<input type="checkbox"/> Pass, with amendments <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration		
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	X			
2. McKELVEY, Angus L.K. (VC)	X			
3. CALDWELL, Kirk				X
4. EVANS, Cindy	X			
5. GREEN, Josh, M.D.	X			
6. ITO, Ken	X			
7. LUKE, Sylvia				X
8. MORITA, Hermina M.	X			
9. SONSON, Alex M.	X			
10. SOUKI, Joseph M.	X			
11. TSUJI, Clift	X			
12. YAMANE, Ryan I.	X			
13. YAMASHITA, Kyle T.	X			
14. MARUMOTO, Barbara C.	X			
15. THIELEN, Cynthia	X			
TOTAL	13			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		If joint referral, _____ did not support recommendation. committee acronym(s)		
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee		Duplicate (Yellow) – HMSO		Duplicate (Pink) – Clerk's Office