STAND. COM. REP. NO. 2437

Honolulu, Hawaii

FOB 17

, 2006

RE:

S.B. No. 3003

S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committees on Human Services and Commerce, Consumer Protection, and Housing, to which was referred S.B. No. 3003 entitled:

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

beg leave to report as follows:

The purpose of this measure is to enable more people to qualify for the state pharmacy assistance program by increasing allowable income and repealing the asset test, to require the Department of Human Services to provide enrollees with counseling about prescription drug plans, and to repeal rebate-contingent funding limitations.

Your Committees received testimony in support of the measure from AARP Hawaii and the Policy Advisory Board for Elder Affairs. The Department of Human Services submitted comments.

Your Committees find that this measure allows the State to use funds received under a rebate agreement with a prescription drug manufacturer or labeler, to the extent allowed by federal law, as a revenue source for the program. Your Committees further find that this measure extends eligibility for the state pharmacy assistance program to people with up to one hundred fifty percent of the federal poverty level.

Your Committees have amended this measure by:



- (1) Reducing the eligibility limitation from two hundred percent to one hundred fifty percent of the federal poverty level;
- (2) Repealing language making the State's obligation to pay benefits under the State Pharmacy Assistance Program (SPAP) contingent upon the receipt of adequate revenues from prescription drug rebates;
- (3) Adding a caveat that any prescription drug rebate agreement shall not conflict with federal law;
- (4) Deleting provisions relating to benefits for eligible participants with incomes between one hundred fifty and two hundred percent of the federal poverty level;
- (5) Inserting an effective date of July 1, 2050 to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees also raise the following issues and concerns for further consideration by your Committee on Ways and Means:

- (1) Whether the asset test should be repealed or retained;
- (2) The necessity of mandating the Department of Human Services to provide outreach and counseling, which currently are a function of SAGE Plus;
- (3) The effect of mandating the Department of Human Services to advocate on behalf of SPAP beneficiaries with respect to eligibility, coverage, and formulary exceptions and appealing adverse determinations relating to Medicare prescription drug plan enrollment, eligibility, subsidy eligibility and benefit levels, coverage, and formulary exceptions; and
- (4) The effect of requiring the Department of Human Services to pay for prescription drugs that are not on the formulary but that are covered by Medicare Part D.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection,



and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3003, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 1, and be referred to the Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Human Services and Commerce, Consumer Protection, and Housing,

France Chun aukland

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Human Services (Bills and Resolutions)

Measure:*	Committee Referral:	Date:	Date:				
SB 3003	HMS/CPH, WAM Z/9/09		2/9/09				
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is to:							
Pass, unamended (2312)	Pass, with amendments (2311)	Hold (2310	<u></u>				
Members	Ayes	Ayes(WR)	Nays Excused				
CHUN OAKLAND, Suzanne (C)							
IHARA, Jr., Les (VC)			<b>V</b>				
FUKUNAGA, Carol							
HOOSER, Gary L.	/						
KOKUBUN, Russell S.							
TRIMBLE, Gordon							
TOTAL	4		2				
Recommendation:							
<u> </u>	Adopted	No	ot Adopted				
Chair's or Designee's Signature:							
Carre Julianaga							
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy							

<sup>\*</sup>Do <u>not</u> list more than one measure per Record of Votes.

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* Committee R SB 3003 HMS	leferral: CPH	Date:	2-15-06	<b>,</b>			
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is to:							
(2312) (23	amendments 311)	Hold Recommit (2310) (2313)					
Members	Ayes	Ayes(WR)	Nays	Excused			
MENOR, Ron (C)				_			
BAKER, Rosalyn H. (VC)							
ESPERO, Will C.		5.54	<u> </u>				
IGE, David Y.				'			
SAKAMOTO, Norman	V		<del> </del>				
HOGUE, Bob				<u> </u>			
				<u> </u>			
				<del>                                     </del>			
	e ne distribution de la constantia		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- d			
	9,7		·.				
				<del> </del>			
	: 1 seed						
TOTAL	5						
Recommendation:  Adopted  Not Adopted							
Chair's or Designee's Signature:  Rosaly H Brke							
Distribution: Voriginal Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy							

<sup>\*</sup>Do <u>not</u> list more than one measure per Record of Votes.