

ACT 191

H.B. NO. 1361

A Bill for an Act Relating to the Medicaid Prescription Drug Expansion Program.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The expansion of prescription drug benefits under the medicaid program, established by section 346-59.8, Hawaii Revised Statutes, enacted by Act 75, Session Laws of Hawaii 2002, provides for discounted prescription drugs to qualified individuals whose incomes are at or below three hundred per cent of the federal poverty level. Since the enactment of Act 75, the Centers for Medicare and Medicaid Services have indicated that medicaid expansions will be limited to individuals with incomes not exceeding two hundred per cent of the federal poverty level.

The purpose of this Act is to amend section 346-59.8, Hawaii Revised Statutes, to ensure federal approval and funding of the medicaid prescription drug expansion program by allowing income eligibility limits to be lower than three hundred per cent as currently specified in section 346-59.8, Hawaii Revised Statutes, if necessary for federal Centers for Medicare and Medicaid Services approval.

SECTION 2. Section 346-59.8, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The department shall provide for an expansion of prescription drug benefits under the medicaid program, which shall offer discounted prescription drugs to qualified individuals whose income is at or below ~~[three]~~:

- (1) Three hundred per cent of the federal poverty level[-]; or
- (2) Any other maximum income limit established by the Centers for Medicare and Medicaid Services for approval of federal funding for this program; and
- (3) Meets the eligibility criteria required by the Centers for Medicare and Medicaid Services.”

SECTION 3. Act 75, Session Laws of Hawaii 2002, is amended by amending section 4 to read as follows:

“SECTION 4. There is appropriated out of the medicaid prescription drug rebate special fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2002-2003 for the following purposes:

- (1) Paying \$1 to a participating ~~[pharmacist]~~ pharmacy under the medicaid program for each prescription written for a qualified individual; provided that:
 - (A) The department of human services obtains a waiver from the federal government to provide prescription drugs at medicaid rates to qualified individuals; and
 - (B) “Qualified individual” means an individual whose income is at or below ~~[three]~~:
 - (i) Three hundred per cent of the federal poverty level; or
 - (ii) Any other maximum income limit established by the Centers for Medicare and Medicaid Services for approval of federal funding for the expansion of prescription drug benefits under the medicaid program; and
 - (iii) Meets the eligibility criteria required by the Centers for Medicare and Medicaid Services; and
- (2) Administrative costs associated with the ~~[medicaid]~~ expansion of prescription drug [expansion] benefits under the medicaid program, including salary and benefits of eight full-time equivalent employees and related operating costs including lease rent, equipment, consultant contracts, and contractual services of the medicaid pharmacy fiscal agent.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.”

SECTION 4. Act 75, Session Laws of Hawaii 2002, is amended by amending section 7 to read as follows:

“SECTION 7. This Act shall take effect on July 1, 2002[-], and shall be repealed on July 1, 2006.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 17, 2003.)