

Honolulu, Hawaii

March 22, 2006

RE: S.B. No. 3003  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.B. No. 3003, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to improve the State Pharmacy Assistance Program (Program) by, among other things:

- (1) Expanding the income eligibility requirements to individuals with household incomes at or below an unspecified percentage of the federal poverty level (FPL) and deleting the asset test for eligibility;
- (2) Requiring Program applicants to apply for the federal Medicare part D pharmacy benefit program;
- (3) Providing that permissible prescription drug rebates must not conflict with federal law; and
- (4) Mandating the coverage of certain Medicare prescription drug benefit costs by the Program.

AARP Hawaii testified in support of this bill. The Department of Human Services (DHS) offered comments.



Your Committees have amended this bill by:


- (1) Requiring the Program to be qualified by the federal Centers for Medicare and Medicaid Services;
- (2) Requiring DHS to provide enrollment assistance relating to the various Medicare prescription drug plans;
- (3) Expanding the Program to households at or below 150 percent of the federal poverty level;
- (4) Removing the provision requiring Program applicants to apply for the federal Medicare Part D Pharmacy Benefit Program and that mandates new duties for DHS in this regard;
- (5) Specifying that DHS may pay for certain Medicare prescription drug benefit costs, rather than requiring DHS to pay the costs;
- (6) Removing the requirement that DHS pay the Medicare prescription drug premium for Part D plans;
- (7) Reinstating provisions related to the asset test;
- (8) Inserting an appropriation of \$600,000 for the Program; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees note that DHS anticipates a cost of approximately \$600,000 to expand the Program to include households up to 150 percent of the federal poverty level. Previous versions of this measure did not include an appropriation.

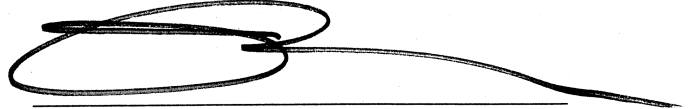
As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3003, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3003, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committees on Human Services  
and Health,



DENNIS A. ARAKAKI, Chair



ALEX M. SONSON, Chair





