

STAND. COM. REP. NO.

955

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 816

S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means, to which was referred S.B. No. 816, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUG COST CONTAINMENT AND AFFORDABLE ACCESS,"

beg leave to report as follows:

The purpose of this measure is to provide affordable prescription medicines while maintaining high quality prescription drug therapies.

Specifically, this measure creates a comprehensive Hawaii State Pharmacy Assistance Program by consolidating both the Hawaii Rx Plus Program and the State Medicare Part D Pharmacy Assistance Program into a single program in order to receive approval from the federal Centers for Medicare and Medicaid Services as a federal qualified state pharmacy assistance program.

Your Committees received written comments in support of this measure from the Department of Human Services and the AARP.

Your Committees find that prescription drugs have become the most expensive component of health care, accounting for approximately two-thirds of health care costs. This is often an unmanageable financial burden, particularly for the elderly population.



Your Committees further find that on January 1, 2006, the state Medicare part D State Pharmacy Assistance Program was created. The State Medicare Part D Program covers the co-payments for Medicare and Medicaid dual eligible clients to ensure a smooth transition of prescription drug coverage from Medicaid to Medicare. In addition, the federal Medicare Modernization Act of 2005 also provides special relief for qualified state pharmacy assistance programs. This measure is the first step in qualifying for special relief under the Medicare Modernization Act of 2005.

Upon the recommendation of the Department of Human Services, your Committees amended this measure to add a new subsection to section 346-342, Hawaii Revised Statutes, to require drug manufacturers or labelers who sell prescription drugs in the State to enter into a rebate agreement with the Department of Human Services, as approved by the federal Centers for Medicare and Medicaid Services. Your Committees have also amended this measure to make technical and clarifying amendments provided by the Department of Human Services.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 816, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 816, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and
Affordable Housing and Ways and
Means,



ROSALYN H. BAKER, Chair


BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 816 SDI	HTH/HSP, CPH/WAM	3/1/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.				/
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
WHALEN, Paul				/
TOTAL	8	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes