

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 2415
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 2415, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the efficiency of the Medicaid system by:

- (1) Requiring certain Medicaid recipients to pay a copayment for prescription drugs covered under the recipients' Medicaid benefits in accordance with a Medicaid prescription drug benefit copayment program, to be developed by the Department of Human Services;
- (2) Waiving the copayment for prescription drugs for recipients under nineteen years of age, terminally ill recipients certified at hospice level of care, and recipients in nursing homes or in home- or community-based settings that provide a certified intermediate care facility or skilled nursing facility level of care, or recipients who are pregnant; and
- (3) Requiring the Department of Human Services to seek the approval of the Centers for Medicare and Medicaid Services prior to the establishment and implementation of the Medicaid prescription drug benefit copayment program.



Your Committee received testimony in support of this measure from the State Rehabilitation Council and the Hawaii Medical Service Association. Your Committee received testimony in opposition to this measure from the Hawai'i Primary Care Association, Ho'ola Lahui Hawai'i, the Moloka'i Community Health Center, United Self Help, the Waikiki Health Center, and the Waimanalo Health Center. Your Committee received comments on this measure from the Department of Human Services, Office of Hawaiian Affairs, Arc of Kona, Hawaii Pharmacists Association, Kaiser Permanente, and four individuals.

Your Committee finds that the intent of this measure is to offset costs associated with pharmaceuticals and to share costs with patients who are on Medicaid. However, your Committee also finds that this measure would be burdensome for Medicaid recipients and on the Department of Human Services. Medicaid recipients are already financially challenged and may decide to forgo necessary treatment as a result of this measure. According to the Department's testimony, imposing copayments would require the Department to secure a waiver from the Centers for Medicare and Medicaid and require the Department to make substantial modifications to the Med-QUEST software and current health plans system.

Your Committee has therefore amended this measure by deleting its contents and inserting language to:

- (1) Establish a joint legislative task force to assist the Department of Human Services in the development and implementation of a Medicaid buy-in program for working individuals with disabilities based on Hawaii's current Medicaid income and asset limits;
- (2) Require the joint legislative task force to submit a final report of its findings, program recommendations, and proposed legislation, if any, to the Legislature; provided that the task force submit its proposed program to the Centers for Medicare and Medicaid Services for approval; and
- (3) Require the Department of Human Services to design and implement the Medicaid buy-in program for working individuals with disabilities by July 1, 2014.



As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2415, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,

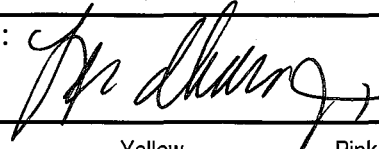
Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* HB 2415, HD 2	Committee Referral: HMS, WAM	Date: 3/21/12		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes