



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 6, 2012

TO: The Honorable John M. Mizuno, Chair  
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B.2415 - RELATING TO MEDICAID**

Hearing: Monday, February 6, 2012; 8:30 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of the bill is to require certain Medicaid recipients to pay a co-payment for prescription drugs covered under the recipients' Medicaid benefits in accordance with a system developed by the Department of Human Services and requires the Department of Human Services to seek the approval of the Centers for Medicare and Medicaid Services prior to the establishment and implementation of such a system..

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent of the bill, but has strong reservations. The imposition of co-pays for prescription drug coverage may be a financial barrier for many of our clients. From a policy perspective, we want to incentivize our clients to comply with the recommendations of their physicians to complete or remain on a regime of prescribed medications. Clients without sufficient resources to pay for their medication(s) clients may, as a result of their failure to take those medications, require emergency room treatment or hospitalization.

The DHS concurs, that should this measure pass, co-payments for children, individuals residing in nursing facilities, and individuals receiving home and community-based services should be excluded from this measure, as matter of policy. Additionally, we also note that it will be difficult to identify terminally ill patients. Finally, without approval by the Centers for Medicare & Medicaid Services, co-payments cannot be implemented.

Thank you for the opportunity to testify on this bill.

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 6,, 2012

The Honorable John M. Mizuno, Chair  
The Honorable Jo Jordan, Vice Chair

House Committee on Human Services

**Re: HB 2415 – Relating to Medicaid**

Dear Chair Mizuno, Vice Chair Jordan and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to support HB 2415 which mandates the Department of Human Services (DHS) to require a Medicaid recipient to pay a copay for prescription drugs.

We fully appreciate the intent of this Bill to create efficiencies in the State's Medicaid system. We believe that copays may reduce waste, allowing unused monies to address budget shortages in other areas of the Medicaid program. In addition, this seems to be in line with our Medicaid contract with DHS which includes an onsite readiness review by DHS to, among other things, review our ability to handle co-shares for its members.

We also recognize that the imposition of copays potentially may result in a segment of the population inappropriately reducing their use of medications. However, that possibility may be mitigated if DHS allows participating plans to individually structure a formulary that ensures medication compliance.

Thank you for this opportunity to support HB 2415.

Sincerely,

A handwritten signature in black ink that reads "Mark K. Oto".

Mark K. Oto  
Director  
Government Relations

Testimony for HUS 2/6/2012 8:30:00 AM HB2415

Conference room: 329

Testifier position: Oppose

Testifier will be present: Yes

Submitted by: Scott Wall

Organization: Individual

E-mail: [robertscottwall@yahoo.com](mailto:robertscottwall@yahoo.com)

Submitted on: 2/4/2012

Comments:

I strongly oppose this bill. The imposition of co-payments for the poorest of the poor last year was a greater hardship than I'm sure the Legislature imagined. Social Security gives one enough to live, barely. When my wife (also on SSDI,) and I married last year it took us into that murky realm of over 100% of the FPL but under 133% of the FPL. We are 14\$ above the FPL. One trys to make sure that one only has to go to the drug store once a month and preferably at the beggining of the month. Last month the mother board on my computer broke. I also happened to be struck with three prescriptions that expire during the third week of the month. That meant that when the third week came around I didn't have the co-payment for my prescriptions. That meant that for one week I went without my medications. I made it but a person with a more serious diagnosis could, concievably, endanger the public welfare and safety. I don't know how many dollars Hawaii made be mandating these copayments but I bet that one serious siege initiated be one consumer that couldn't get his medications would wipe out those savings in one day of police overtime.

Testimony for HUS 2/6/2012 8:30:00 AM HB2415

Conference room: 329

Testifier position: Support

Testifier will be present: No

Submitted by: Brenda Kosky

Organization: Individual

E-mail: [Brenda.Kosky@gmail.com](mailto:Brenda.Kosky@gmail.com)

Submitted on: 2/4/2012

Comments:

Testimony for HUS 2/6/2012 8:30:00 AM HB2415

Conference room: 329

Testifier position: Oppose

Testifier will be present: No

Submitted by: Ronnie Perry

Organization: Individual

E-mail: [babyjean@hotmail.com](mailto:babyjean@hotmail.com)

Submitted on: 2/5/2012

Comments:

I am opposed to requiring Medicaid beneficiary to pay a co-payment. Already, to receive Medicaid you have to unreasonable poor and to increase the burden upon those that are needy is wrong. Many people who are on Medicaid are disabled, so to make those with so little pay more is mean, nasty and not the way we should conduct our society. Please reject this bill