

ACT 4

H.B. NO. 1317

A Bill for an Act Relating to Medicaid.

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

SECTION 1. The legislature finds that managed care plans for medicaid beneficiaries should offer a broad range of coverage, including hospital stays, medical appointments, and prescription drugs. Removing individual benefit components would result in a fragmented health care delivery system that may result in higher costs and reduced quality of care.

The purpose of this Act is to:

- (1) Require the department of human services to submit a report to the legislature on the impact of carving out pharmaceutical benefits management from managed care plans; and
- (2) Prohibit the department of human services from taking any action to remove pharmaceutical benefits management from managed care plans that provide health care coverage for Hawaii medicaid beneficiaries.

SECTION 2. (a) The department of human services shall report to the legislature no later than twenty days prior to the convening of the regular session of 2006 on the impact of carving out pharmaceutical benefits management from managed care plans. The report shall include:

- (1) An analysis of the cost elements of pharmaceutical benefits management by the department of human services versus pharmaceutical benefits management under the QUEST-managed care plans, including generic utilization, and using available rebate information and reasonable estimates to calculate net pharmacy costs and comparative cost savings;
- (2) A comparison of the quality and efficacy of the different classes of drugs on the department of human services' preferred drug list and those of the QUEST-managed care plans; and
- (3) Comparisons of the effects on management of care, patient care, including access and quality, and the impact on physicians, pharmacists, and other health care providers.

(b) The report shall exclude from its analysis, pharmacy utilization, costs, and rebate information relating to the medicaid population that will receive pharmacy coverage under medicare part D beginning January 1, 2006.

(c) In developing the report, the department of human services shall conduct community roundtables for purposes of including input, data information, and concerns from all affected stakeholders.

SECTION 3. The department of human services shall not take any action to remove pharmaceutical benefits management from managed care plans that provide health care coverage for Hawaii medicaid beneficiaries.

SECTION 4. This Act shall take effect upon its approval.

(Vetoed by Governor and veto overridden by Legislature on July 12, 2005.)