

# MAINE STATE LEGISLATURE

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DATE: 5-17-01

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**MAJORITY  
HEALTH AND HUMAN SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 41, L.D. 50, Bill, "An Act to Provide for Graduated Eligibility Requirements for the Elderly Low-cost Drug Program"

Amend the bill by striking out the title and substituting the following:

**'An Act to Expand Eligibility for the Elderly Low-cost Drug Program'**

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

**'Sec. 1. 22 MRSA §254, sub-§1, ¶A,** as enacted by PL 1999, c. 401, Pt. KKK, §1 and affected by §10 and c. 531, Pt. F, §2, is amended to read:

A. The basic component of the program must provide drugs and medications for cardiac conditions and high blood pressure, diabetes, arthritis, anticoagulation, hyperlipidemia, osteoporosis, chronic obstructive pulmonary disease and asthma, incontinence, thyroid diseases, glaucoma, parkinson's disease, multiple sclerosis and amyotrophic lateral sclerosis. The basic component must also provide supplies related to the treatment of diabetes and over-the-counter medications that are prescribed by a

health care provider and approved as program benefits by the commissioner.

**Sec. 2. 22 MRSA §254, sub-§2,** as amended by PL 1999, c. 401, Pt. KKK, §1 and affected by §10 and c. 531, Pt. F, §2, is repealed.

**Sec. 3. 22 MRSA §254, sub-§2-A** is enacted to read:

**2-A. Income eligibility.** Individuals are eligible for this program if the household income, as defined in subsection 9, is not more than the amount set by this subsection. In calculating income eligibility, the cost of drugs provided to a household under this section is considered a cost incurred by the household. The income eligibility limit is determined as follows:

A. Calculate the applicable poverty level by reference to 185% of the federal nonfarm income official poverty level, as defined by the Office of Management and Budget, that was in effect on January 1, 2001;

B. Calculate the income eligibility limit for calendar year 2001 by multiplying the poverty level figure from paragraph A by the result of one plus the annualized cost-of-living adjustment used to determine Social Security retirement benefits issued during calendar year 2001;

C. For each program year after 2001, calculate the income eligibility limit for the year for which relief is requested by multiplying the income eligibility limit for the previous program year as calculated by paragraph B by one plus the annualized cost-of-living adjustment applicable to Social Security retirement benefits issued during the year for which relief is requested; and

D. For individuals in households that spend at least 40% of income on unreimbursed direct medical expenses for prescription medications, the income eligibility limit is increased by 25%.

**Sec. 4. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	<b>2001-02</b>	<b>2002-03</b>
<b>HUMAN SERVICES, DEPARTMENT OF</b>		
<b>Low-cost Drugs to Maine's Elderly</b>		

All Other \$1,218,979 \$1,989,636

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Provides funds to add diabetes supplies to the basic component of the elderly low-cost drug program.

**Sec. 5. Effective date.** This Act takes effect November 1, 2001, except that that portion of this Act that enacts the Maine Revised Statutes, Title 22, section 254, subsection 2-A takes effect January 1, 2002 and applies to calendar year 2002 and succeeding years.'

Further amend the bill by inserting at the end before the summary the following:

**FISCAL NOTE**

2001-02 2002-03

**APPROPRIATIONS/ALLOCATIONS**

General Fund \$1,218,979 \$1,989,636

The low-cost drugs to Maine's elderly program within the Department of Human Services will require additional General Fund appropriations of \$1,218,979 and \$1,989,636 in fiscal years 2001-02 and 2002-03, respectively, to add diabetes supplies and over-the-counter medications to the basic component of the elderly low-cost drug program. These estimates are based on the assumptions that there are 1,500 recipients using insulin at an average cost of \$875 per recipient in fiscal year 2001-02 and \$945 per recipient in fiscal year 2002-03; there are 4,000 recipients using oral diabetic medications at an average cost of \$394 per recipient in fiscal year 2001-02 and \$426 per recipient in fiscal year 2002-03; approximately 1/3 of the total recipients will require a Glucometer at a cost of \$60 per year; and there are no net additional costs to the drugs for the elderly program for over-the-counter medications. The cost of this measure may be higher or lower depending on actual experience.

The Bureau of Revenue Services within the Department of Administrative and Financial Services will incur some minor additional costs to administer new eligibility guidelines for the low-cost drugs to Maine's elderly program. These costs can be absorbed within the bureau's existing budgeted resources.'

**SUMMARY**

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This amendment is the majority report of the committee. It provides a new title and replaces the bill, which was a concept draft. It establishes income eligibility for the Elderly Low-cost Drug program at 185% of the federal nonfarm income poverty level in 2001, as adjusted annually to match the increases in the payment of Social Security retirement benefits. It adds to the basic component of the program over-the-counter medications prescribed by a health care provider and approved as benefits and supplies related to the treatment of diabetes. It adds an appropriation and a fiscal note. It adds an effective date.