

MAINE STATE LEGISLATURE

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L.D. 332

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HEALTH AND HUMAN SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 228, L.D. 332, Bill, "An Act to Increase the Availability of Prescription Drugs for the State's Elderly"

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 §3174-G, sub-§1-A, as enacted by PL 1997, c. 643, Pt. RR, §4, is repealed and the following enacted in its place:

1-A. Elderly prescription drug program. The department shall apply to the federal Health Care Financing Administration for a waiver to provide Medicaid prescription drug benefits to qualified persons whose household income is up to 185% of the nonfarm income official poverty line and who are 62 years of age or older or who are 19 years of age or older and determined to be disabled by the standards of the federal Social Security program. The waiver must include the full range of prescription drugs provided under the current Medicaid program and copayments for participants comparable to copayments in the current Medicaid program and may not include an asset limit. Coverage under this subsection must begin January 1, 2000 or as soon thereafter as possible.

Sec. 2. Report. The Department of Human Services shall report its progress in obtaining the waiver required to be submitted by this Act to the Joint Standing Committee on Health and Human Services not later than October 1, 1999.'

COMMITTEE AMENDMENT

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

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6 **FISCAL NOTE**

8 This bill requires the Department of Human Services to apply
for a waiver to provide Medicaid prescription drug benefits to
10 the elderly and disabled up to 185% of the official poverty
line. The additional costs associated with applying for a
12 Medicaid waiver and submitting a progress report can be absorbed
by the Department of Human Services utilizing existing budgeted
14 resources.

16 If the Federal Government approves this waiver, the
Department of Human Services and the Bureau of Revenue Services
18 within the Department of Administrative and Financial Services
will require additional General Fund appropriations and Federal
20 Expenditures Fund allocations. The amounts required will depend
on the timing of the acceptance of the waiver and the conditions
22 associated with the waiver. Neither of these items can be
determined at this time. Provided below are the estimated costs
24 assuming an effective date of July 1, 2000.

26 The Medicaid program will experience additional benefit
costs totaling \$78,420,102 in fiscal year 2000-01 for additional
28 benefit costs. The state share of these benefit costs will be
\$26,490,310 and the federal share will be \$51,929,791. The state
30 share will be partially offset by the savings in the elderly
low-cost drug program of \$7,143,198, resulting in a net
32 additional benefit cost to the General Fund of \$19,347,112.

34 The Department of Human Services also will incur additional
administrative costs of approximately \$95,000 annually for an
36 additional Pharmacist position and a Medical Care Coordinator
position and related expenses, if the waiver is approved. This
38 cost estimate is based on the assumption that the waiver would
allow the Bureau of Revenue Services to determine eligibility and
40 not require determination of eligibility for Medicaid prior to
determining eligibility for the elderly low-cost drug program.
42 If the Federal Government requires determination of eligibility
for Medicaid, a significant number of new staff would be required
44 by the Department of Human Services and the Bureau of Revenue
Services would realize savings from the shift of responsibility.
46 Assuming the Bureau of Revenue Services is allowed to determine
eligibility without any significant new change in the eligibility
48 determination process, the waiver approval will result in

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2 additional administrative costs to the Bureau of Revenue Services
of \$127,000 in the first year of implementation and approximately
4 \$90,000 annually thereafter.'

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SUMMARY

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This amendment requires the Department of Human Services to
apply for a waiver to provide Medicaid prescription drug benefits
10 to the elderly and disabled up to 185% of the federal poverty
line, beginning January 1, 2000 or as soon thereafter as
12 possible. It deletes reference in the bill to the income
eligibility level for the elderly low-cost drug program. It adds
14 an appropriation and a fiscal note.

COMMITTEE AMENDMENT