

HOUSE BILL REPORT

SJM 8039

As Reported by House Committee On:
Health Care

Brief Description: Requesting changes to the Medicare Modernization Act.

Sponsors: Senators Brown, Kohl-Welles, Franklin, Pridemore and Thibaudeau.

Brief History:

Committee Activity:

Health Care: 2/21/06 [DP].

Brief Summary of Bill

- Congress is asked to address several implementation problems with the Medicare Part D prescription drug program.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Bailey, Condotta and Skinner.

Staff: Dave Knutson (786-7146).

Background:

Medicare is the federally funded program providing health insurance primarily to those 65 and older. It is administered by the Centers for Medicare and Medicaid Services (CMS), part of the federal Department of Health and Human Services. Approximately 831,000 Medicare beneficiaries live in Washington. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) established a Medicare prescription drug benefit. Known as "Medicare Part D," it became effective on January 1, 2006.

A number of concerns have emerged regarding the design and implementation of Medicare Part D. In addition to the general administrative difficulties of initiating a program covering over 43 million people, there is particular worry about the impact of the program on "dual eligibles," low income people who qualify for both Medicare and Medicaid. Approximately 96,000 dual eligibles live in Washington. Prior to the implementation of Part D, they received

prescription drug coverage under Medicaid. The MMA requires that they now receive coverage under Part D. Reports suggest that in the transition from one program to the other, some dual eligibles have not received needed medications because of coverage denials or incorrect charges. Even for someone correctly transitioned, there is concern that the particular drugs the person needs will not be covered by Part D, or that newly required co-pays will prove unaffordable.

On January 24, 2006, CMS announced the establishment of a demonstration reimbursement plan which enables a state to be fully reimbursed for its efforts to help dual eligibles have continued access to covered drugs during their transition to Part D.

Summary of Bill:

The Washington State Legislature requests that Congress and the Administration address concerns with the Medicare Part D program by: (1) upgrading the CMS customer service system; (2) providing additional funding to the states to lessen the burden of co-pays on dual eligibles; (3) extending the enrollment period beyond the May 15, 2006, deadline; (4) requiring all health plans that contract with CMS to provide uniform transition policies that provide a 30-day supply of needed drugs; (5) reimbursing states and pharmacists who have been forced to cover the costs of individuals who have fallen through the cracks; and (6) repealing the prohibition on the use of Medicaid funds to provide supplemental prescription drug benefits to Medicare enrollees.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: None.

Testimony Against: None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.