

# HOUSE BILL REPORT

## HB 1095

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### As Reported by House Committee On:

Health Care & Wellness

Appropriations

**Title:** An act relating to implementing the part D drug copayment program.

**Brief Description:** Implementing the part D drug copayment program.

**Sponsors:** Representatives Barlow, Hinkle, Appleton, Green, Ormsby, Schual-Berke, Cody, Blake, B. Sullivan, Hurst, O'Brien, Clibborn, Morrell, Conway, Kenney, Linville, Rolfes, Moeller and Dunn; by request of Governor Gregoire.

### Brief History:

#### Committee Activity:

Health Care & Wellness: 1/15/07 [DPS];

Appropriations: 1/18/07 [DP2S(w/o sub HCW)].

#### Brief Summary of Second Substitute Bill

- The Department of Social and Health Services may offer Medicare Part D copayment coverage to individuals who are eligible for Medicaid and Medicare, subject to the availability of amounts appropriated for this specific purpose.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Barlow, Campbell, Condotta, Curtis, Green, Moeller, Pedersen, Schual-Berke and Seaquist

**Staff:** Dave Knutson (786-7146).

#### Background:

Congress passed, and the President signed, the Medicare Prescription Drug, Improvement, and Modernization Act in December 2003. It required that as of January 1, 2006 individuals who are dually eligible for Medicare and Medicaid must receive their prescription drug coverage

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through Medicare Part D and be assessed a co-pay on each prescription they fill in an amount between \$1 and \$5. Prior to this change, these individuals received their prescription drug coverage through the Medicaid program and did not make any co-pay. There are approximately 100,000 individuals who are dually eligible for Medicare and Medicaid. The Governor's 2007-09 biennial budget submittal assumes approximately \$26 million General Fund-State will be expended to provide co-payment coverage for the dual eligible population.

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**Summary of Substitute Bill:**

The Department of Social and Health Services is authorized to offer Medicare Part D co-payment coverage to individuals who are eligible for medical assistance or the medically needy program and Medicare, subject to available funds.

**Substitute Bill Compared to Original Bill:**

A statutory definition of "full benefit dual eligible beneficiary" is provided.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 10, 2007.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) None.

(Opposed) None.

**Persons Testifying:** None.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 31 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist and P. Sullivan.

**Staff:** Bernard Dean (786-7130).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:**

The Appropriations Committee clarified that the Department of Social and Health Services may offer copayment coverage within funds appropriated for this particular purpose.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) We should never allow a senior citizen in Washington to fall through any crack in the new Medicare Part D prescription drug program. They must now make copayments of \$1 to \$5 for each drug. These are our most vulnerable citizens in the state and are over 65 years of age or disabled. Their average household income is around \$600 per month, if that, and they average seven prescription drugs per month. They simply don't have enough money to cover an extra \$20, \$30, or \$40 a month for this new federal requirement.

This bill reinforces existing state policy to ensure that some of our most vulnerable citizens aren't burdened by copays, which serve only to deter their access to life saving and cost saving medications.

Northwest Kidney Centers help patients find prescription drug coverage and about 40 percent of dialysis patients are dual eligibles. They take eight to 10 medications a month and this bill makes a huge difference to these low-income individuals living with illness.

(Opposed) None.

**Persons Testifying:** Representative Barlow, prime sponsor; Jonathan Seib, Governor's Policy Office; and Joyce Jackson, Northwest Kidney Center.

**Persons Signed In To Testify But Not Testifying:** None.