

Health Care Committee

HB 1720

Brief Description: Seeking a federal medicaid demonstration waiver for prescription drug assistance.

Sponsors: Representatives Edwards, Cody, Darneille, McDermott, Lovick, Hurst, Kagi, Fromhold, O'Brien, Romero, Hatfield, Linville, Conway, Ogden, Kessler, Keiser, Schual-Berke, Wood and Simpson.

Brief Summary of Bill

- *The Department of Social and Health Services will submit a waiver request to the Health Care Financing Administration to establish a prescription drug assistance program.*

Hearing Date: 2/13/01

Staff: Dave Knutson (786-7146).

Background:

Many individuals who are eligible for medicare do not have prescription drug coverage through employer sponsored insurance or medigap insurance policies. The federal government allows states to modify their state medical assistance programs through a waiver request and approval process. The state medical assistance program receives a rebate from pharmaceutical manufacturers for prescription drugs. The rebate averages around 17 percent.

Summary of Bill:

The Department of Social and Health Services will submit a waiver to the Health Care Financing Administration to establish a prescription drug assistance program. The program will cover medicare-covered individuals without employer sponsored insurance or a medigap insurance policy. The program will also cover other individuals with incomes up to 300 percent of the federal poverty level who do not have access to public or private

coverage for prescription drugs. Individuals participating in the program will receive a financial subsidy equal to the average rebate paid to the medicaid program by pharmaceutical manufacturers.

Appropriation: *None.*

Fiscal Note: *Requested on February 12, 2001.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*