

2008 -- H 7550

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- PHARMACEUTICAL
ASSISTANCE TO THE ELDERLY ACT

Introduced By: Representatives Sullivan, O'Neill, and Moffitt

Date Introduced: February 26, 2008

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-66.2-5 of the General Laws in Chapter 42-66.2 entitled
2 "Pharmaceutical Assistance to the Elderly Act" is hereby amended to read as follows:

3 **42-66.2-5. Persons eligible.** -- (a) Persons eligible for assistance under the provisions of
4 this chapter include any resident of the state who is at least sixty-five (65) years of age or at least
5 fifty-five (55) years of age and receiving social security disability benefits. State and consumer
6 co-payment shares for these persons shall be determined as follows:

7 (1) For unmarried persons or married persons living separate and apart whose income for
8 the calendar year immediately preceding the year in which assistance is sought is:

9 (i) Less than fifteen thousand nine hundred and thirty-two dollars (\$15,932) the state
10 shall pay sixty percent (60%) of the cost of the prescriptions and the consumer shall pay forty
11 percent (40%) of the cost of the prescriptions;

12 (ii) More than fifteen thousand nine hundred and thirty-two dollars (\$15,932) and less
13 than twenty thousand dollars (\$20,000), the state shall pay thirty percent (30%) of the cost of the
14 prescriptions and the consumer shall pay seventy percent (70%) of the cost of the prescriptions;
15 and

16 (iii) More than twenty thousand dollars (\$20,000) and less than thirty-five thousand
17 dollars (\$35,000), the state shall pay fifteen percent (15%) of the cost of prescriptions and the
18 consumer shall pay eighty-five percent (85%) of the cost of prescriptions.

1 (2) For married persons whose income for the calendar year immediately preceding the
2 year in which assistance is sought hereunder when combined with any income of the person's
3 spouse in the same year is:

4 (i) Nineteen thousand nine hundred and sixteen dollars (\$19,916) or less, the state shall
5 pay sixty percent (60%) of the cost of the prescriptions and the consumer shall pay forty percent
6 (40%) of the cost of the prescriptions;

7 (ii) More than nineteen thousand nine hundred and sixteen dollars (\$19,916) and less
8 than twenty-five thousand dollars (\$25,000), the state shall pay thirty percent (30%) of the cost of
9 the prescriptions and the consumer shall pay seventy percent (70%) of the cost of prescriptions;
10 and

11 (iii) More than twenty-five thousand dollars (\$25,000) and less than forty thousand
12 dollars (\$40,000), the state shall pay fifteen percent (15%) of the cost of prescriptions and the
13 consumer shall pay eighty-five percent (85%) of the cost of prescriptions.

14 (3) Eligibility may also be determined by using income data for the ninety (90) days
15 prior to application for benefits and projecting that income on an annual basis. The income levels
16 shall not include those sums of money expended for medical and pharmaceutical that exceed
17 three percent (3%) of the applicant's annual income or three percent (3%) of the applicant's
18 preceding ninety (90) day income computed on an annual basis.

19 (4) For persons on social security disability benefits who are: (i) unmarried or married
20 and living separate and apart with income for the calendar year immediately preceding the year in
21 which assistance is sought that is less than thirty-seven thousand one hundred and sixty-seven
22 dollars (\$37,167); or (ii) married with income that is less than forty-two thousand four hundred
23 seventy-six dollars (\$42,476), the state shall pay fifteen percent (15%) of the cost of prescriptions
24 and the consumer shall pay eighty-five percent (85%) of the cost.

25 (b) On July 1 of each year, the maximum amount of allowable income for both
26 unmarried and married residents set forth in subsection (a) shall be increased by a percentage
27 equal to the percentage of the cost of living adjustment provided for social security recipients.

28 (c) No person whose prescription drug expenses are paid or reimbursable, either in
29 whole or in part, by any other plan of assistance or insurance is eligible for assistance under this
30 section, until the person's prescription drug coverage for a specific covered prescription
31 medication is exhausted or the specific prescription medication is not covered by the plan during
32 a benefit year, and as provided in subsection (d).

33 (d) The fact that some of a person's prescription drug expenses are paid or reimbursable
34 under the provisions of the federal medicare program shall not disqualify that person, if he or she

1 is otherwise eligible, to receive assistance under this chapter. In those cases, the state shall pay
2 the eligible percentage of the cost of those prescriptions for qualified drugs for which no payment
3 or reimbursement is made by the federal government.

4 (e) Eligibility for receipt of any other benefit under any other provisions of the Rhode
5 Island general laws as a result of eligibility for the pharmaceutical assistance program authorized
6 under this section shall be limited to those persons whose income qualify them for a sixty percent
7 (60%) state co-payment share of the cost of prescriptions.

8 (f) For all additional drugs, the consumer shall pay one hundred percent (100%) of the
9 cost of prescriptions as set forth in section 42-66.2-4.

10 (g) As of July 1, 2004, all new enrollees in the program whose income qualifies them for
11 Transitional Assistance (135% of poverty) under the Medicare Prescription Drug, Improvement,
12 and Modernization Act of 2003 Section 1860D-31, shall apply annually, for a Medicare
13 prescription drug discount card, to be used in conjunction with benefits offered under this chapter,
14 in order to continue to receive benefits under this chapter. Enrollees who joined the program prior
15 to July 1, 2004 and who qualify for Transitional Assistance (135% of poverty) under the
16 Medicare Prescription and Drug Improvement, and Modernization Act of 2003 Section 1860D-
17 31, shall, by September 30, 2004 and continuously thereafter until such time as Medicare Part D
18 becomes effective, make application for a Medicare prescription drug discount card to be used in
19 conjunction with benefits offered under this chapter, in order to continue receiving benefits under
20 this chapter.

21 (h) To promote coordination of benefits between the pharmaceutical assistance program
22 created under this chapter and the Medicare Part D prescription drug program created in the
23 federal Medicare Prescription Drug, Improvement and Modernization Act of 2003, the director is
24 authorized to subsidize the cost of any premiums or deductibles required for participation in the
25 Medicare Part D prescription drug benefit by persons eligible to receive a state co-payment to
26 subsidize the cost of prescription drugs under this chapter. For purposes of carrying out the
27 coordination with Medicare Part D provided for in this section, the general assembly shall
28 appropriate to the department in the state budget for fiscal year 2009, an amount of money to fund
29 the pharmaceutical assistance program created under this chapter that is at least equal to the
30 amount appropriated to the department to fund the pharmaceutical assistance program in fiscal
31 year 2008. RIPAE enrollees whose income is at or below 150% of the federal poverty limit and
32 whose resources are below the resource eligibility limits determined by the Centers for Medicare
33 and Medicaid Services for low income assistance benefit under Medicare Part D must apply for
34 and enroll in the Medicare Part D prescription drug program.

1 The Rhode Island Pharmaceutical Assistance to the Elderly Program (RIPAE) is
2 authorized to apply for transitional assistance with a specific drug card under the Medicare
3 Prescription Drug, Improvement, and Modernization Act of 2003 Section 1860D-31 on behalf of
4 applicants and eligible members under this article. RIPAE shall provide applicants and eligible
5 members with prior written notice of, and the opportunity to decline, such automatic enrollment.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- PHARMACEUTICAL
ASSISTANCE TO THE ELDERLY ACT

1 This act would promote coordination of benefits between the elderly pharmaceutical
2 assistance program and Medicare Part D prescription drug plan. It would require the general
3 assembly to fund the program at levels at least equal to the amount appropriated to the department
4 in fiscal year 2008.

5 This act would take effect upon passage.

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