

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1284/1dn
DAK:wlj:kjf

January 25, 2001

To Representative Wieckert:

As I have explained to your aide, Scott Becker, this bill includes several provisions that also appear in 2001 SB-1, which are, in effect, refinements to the concept of funding for prescription drugs or are changes that make the bill “work” in a better fashion. The changes are these:

1. The potential program participant's income is treated as annual household income, as determined by DHFS, under criteria promulgated as rules by DHFS (see s. 49.688 (2) and (4)).
2. The potential program participant's income limitation is at 185% of the poverty line *for a family the size of the person's eligible family* (see s. 49.688 (2)); the italicized language ensures that only the household income of the persons in a family that are eligible for the benefit will be counted. Thus, it would cover an 80-year-old woman with an income of 175% of the poverty line who is paying for her own prescription drugs but is living in a room of a house belonging to her 40-year-old daughter who makes \$40,000 a year.
3. The period of the benefit is specified as 12 months (see s. 49.688 (3) (a)); that means that it is a “rolling” benefit period, i.e., a person may apply in May and begin eligibility June 1 instead of waiting for the onset of the calendar year on January 1; this “rolling” benefit period is administratively simpler for DHFS because it can find people eligible throughout the year rather than having to determine an avalanche of applications in December.
4. I have included “payor of last resort” language (see s. 49.688 (3) (b)), to ensure that persons do not have duplicate coverage.
5. I have included fraud provisions and penalties for their violation (see s. 49.688 (10)).
6. The requirements for the report that DHFS must provide to the legislature if similar federal law is enacted are expanded (see s. 49.688 (11)).
7. I have included a mechanism under which joint finance may provide administrative funds to DHFS without requiring that DHFS go through a s. 13.10 procedure (which would require joint finance to make a finding of emergency) (see the Nonstatutory provisions).

8. I have included the authorization for DHFS to apply to the prescription drug program the same utilization and cost control procedures that it uses under MA; these utilization and cost control procedures are cost-saving mechanisms that DHFS employs in addition to prior authorization (see s. 49.688 (8)); okay?

This bill contains a sum certain appropriation for the funding of the program. Are you interested in having any mechanism included for determining what action should be taken if the money is insufficient, such as waiting lists or proration?

Please let me know if I may provide further assistance with respect to this bill.

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