

SECOND REGULAR SESSION

HOUSE BILL NO. 2548

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HUBBARD (Sponsor), CHAPPELLE-NADAL,
EL-AMIN AND NASHEED (Co-sponsors).

Read 1st time April 1, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5549L.01I

AN ACT

To amend chapter 208, RSMo, by adding thereto one new section relating to Medicare Part D drug benefit gap coverage.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 208, RSMo, is amended by adding thereto one new section, to be
2 known as section 208.783, to read as follows:

208.783. 1. For the purposes of this section, the following terms shall mean:

2 **(1) "Eligible senior", any Missouri resident who is sixty-five years of age or older,**
3 **and who is a participant in the Medicare Part D benefit, and whose income is:**

4 **(a) Equal to or greater than one hundred fifty percent of the federal poverty level**
5 **and less than two hundred percent of the federal poverty level; or**

6 **(b) Less than one hundred fifty percent of the federal poverty level and the**
7 **individual does not qualify for Medicare Part D low-income subsidies because the value of**
8 **the individual's assets exceeds that amount allowed for qualification under P.L. 108-173.**

9 **(2) "Gap", the difference in prescription drug coverage incurred each year by an**
10 **eligible senior:**

11 **(a) After the eligible senior has incurred qualified prescription drug expenses equal**
12 **to the initial coverage limit as defined in the Medicare Prescription Drug, Improvement**
13 **and Modernization Act of 2003; and**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

(b) Before the eligible senior has incurred qualified prescription drug expenses equal to the annual out-of-pocket threshold as defined in the Medicare Prescription Drug, Improvement and Modernization Act of 2003;

(3) "Prescription drug plan (PDP) sponsors", providers who meet the requirements as prescribed in Section 1860D-12 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, P.L. 108-173;

(4) "Standard drug benefit coverage gap", the difference between the annual out-of-pocket threshold as defined in Section 1860D-2.(a)(3)(A)(I) of P.L. 108-173 and adjusted annually by the federal Centers for Medicare and Medicaid, which in 2008 is four thousand fifty dollars and the amount of money an eligible senior would spend to meet the initial coverage limit as defined in Section 1860D-2.(a)(3)(B)(i)(1) of P.L. 108-173 and adjusted annually by the federal Centers for Medicare and Medicaid, which in 2008 is two hundred seventy-five dollars plus the product of twenty-five hundredths multiplied by two thousand four hundred dollars, expressed mathematically as follows: $4050 - [275 + (.25 \times 2400)]$.

2. In order to fill the gap created due to the enactment of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, P.L. 108-173, the Missouri Rx plan established under sections 208.780 to 208.798 shall provide prescription drug benefits for participants in the Medicare Part D program who reach the standard drug benefit coverage gap under such program.

3. The Missouri senior prescription drug plan is not an entitlement to replace the Medicare Prescription Drug, Improvement and Modernization Act of 2003. Benefits shall be limited to the level supported by the moneys explicitly appropriated under this section. If in any fiscal year the advisory commission established in section 208.792 projects that the total cost of the plan will exceed the amount currently appropriated for the plan, the commission may request a supplemental appropriation to fund the plan or may direct the prescription drug plan sponsor to implement cost control measures to reduce the projected cost. The Missouri Rx plan is a payer of last resort.

4. Subject to appropriations and other available funds, the Missouri Rx plan shall pay seventy-five percent of the standard drug benefit coverage gap for each eligible senior in a plan year as defined by the advisory commission. The eligible senior shall pay the remaining amount of such prescription drug expenses incurred.

5. Applications for the Missouri Rx plan will be conducted jointly with applications for the Medicare Part D benefit. The enrollment period for the state plan shall correspond with the enrollment period for the federal program as prescribed in P.L. 108-173.

49 **6. The Missouri Rx plan shall include and provide coverage for only the**
50 **prescription drugs that are covered in the prescription drug plan sponsors' formulary**
51 **under the Medicare Prescription Drug, Improvement and Modernization Act, P.L. 108-**
52 **173.**

53 **7. The Missouri Rx plan shall not include coverage of the following drugs or classes**
54 **of drugs, or their medical uses:**

55 **(1) Agents when used for anorexia or weight gain;**

56 **(2) Agents when used to promote fertility;**

57 **(3) Agents when used for cosmetic purposes or hair growth;**

58 **(4) Agents when used for the symptomatic relief of cough and colds;**

59 **(5) Prescription vitamins and mineral products, except prenatal vitamins and**
60 **fluoride preparations;**

61 **(6) Nonprescription drugs;**

62 **(7) Covered outpatient drugs which the manufacturer seeks to require as a**
63 **condition of sale that associated tests or monitoring services be purchased exclusively from**
64 **the manufacturer or its designee;**

65 **(8) Barbiturates;**

66 **(9) Benzodiazepines.**

67 **8. The Missouri Rx plan shall also exclude prescription drugs which are not**
68 **"reasonable and necessary" as defined under Section 1862(a) of P.L. 108-173.**

69 **9. For the covered prescription drugs, the state shall not be charged an amount in**
70 **excess of the price charged under the federal benefit in P.L. 108-173.**

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