



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |  |   |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

This bill increases the cost of government by spending additional General Revenue to expand the number of Floridians who receive prescription drug assistance.

#### B. EFFECT OF PROPOSED CHANGES:

Silver Saver provides up to \$160 of prescription drugs each month to Medicaid eligible Medicare recipients with incomes between 88 percent and 120 percent of the federal poverty level. Silver Saver members make a co-payment of \$2 for generic drugs, \$5 for brand-named drugs on the preferred drug list and \$15 for brand-named drugs not on the state’s preferred drug list.

HB 843 amends Section 409.9065, Florida Statutes to expand Silver Saver. HB 843 adds a provision allowing Silver Saver to be known as the “Silver Lifesaver Program.”

Silver Saver currently provides benefits to individuals eligible for Medicaid who have incomes between 88 percent and 120 percent of the federal poverty level. The result is individuals who have incomes below 88 percent, and fail to qualify for full Medicaid because of asset tests, are not provided any prescription drug benefits. HB 843 removes the 88 percent floor and the Medicaid eligibility requirement.

HB 843 expands Silver Saver by creating four tiers of prescription drug assistance to Medicare eligible individuals with incomes up to 200 percent of the federal poverty level. An estimated 250,000 Floridians will benefit from this expansion. Eligible individuals with incomes below 120 percent will receive the current Silver Saver benefit. They will also receive a discount of 50 percent off all prescription drugs they purchase above the current \$160 limit each month. Eligible individuals with incomes between 120 percent and 150 percent of the federal poverty level will receive a discount of 50 percent off all prescription drugs they purchase each month. Eligible individuals with incomes between 150 percent and 175 percent of the federal poverty level will receive a 41 percent discount off all prescription drugs they purchase each month. Eligible individuals with incomes between 175 percent and 200 percent of the federal poverty level will receive a discount of 37 percent off all prescription drugs they purchase each month. HB 843 allows the prescription drug assistance to be limited if there is a risk of a funding shortfall.

Silver Saver currently prohibits individuals with a Medicare HMO prescription drug benefit from receiving benefits. HB 843 requires that all other prescription drug benefits, including Medicare HMO prescription drug benefits, be exhausted before an individual is eligible for Silver Saver.

#### C. SECTION DIRECTORY:

**Section 1.** Amends s. 409.9065, F.S., to expand the Ron Silver Senior Drug Program.

**Section 2.** Provides that this act shall take effect on July 1, 2003.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

FY 2003-04

FY 2004-05

**Agency for Health Care Admin.**

[3 FTE]

Nonrecurring Expenses:

General Revenue	\$ 55,146	\$ 0
Administrative Trust Fund	\$ 55,146	\$ 0

Recurring Expenses:

General Revenue	\$10,771,977	\$25,683,828
Administrative Trust Fund	\$ 1,555,170	\$ 2,641,920
Medical Care Trust Fund	\$13,917,936	\$34,794,683

**Dept. of Children & Families**

[25 FTE]

Nonrecurring Expenses

General Revenue	\$ 311,987	\$ 0
Administrative Trust Fund	\$ 311,986	\$ 0

Recurring Expenses

General Revenue	\$ 500,749	\$ 500,749
Administrative Trust Fund	\$ 500,748	\$ 500,748

**TOTAL EXPENSES:**

General Revenue	\$11,639,859	\$26,184,577
Administrative Trust Fund	\$ 2,423,050	\$ 3,142,668
Medical Care Trust Fund	<u>\$13,917,936</u>	<u>\$34,794,683</u>

Although the Agency for Health Care Administration and the Department of Children and Families have estimated that they will need three positions and twenty-five positions, respectively, to implement the program, the Social Services Estimating Conferences for cash assistance and Medicaid benefits show that the number of people needing current services is dropping. Therefore, it may be possible to reduce or eliminate the request for the additional positions to implement the new program.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None

2. Expenditures: None

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Industry representatives indicate that Medicaid prescription drug rebates to the state for certain prescription drugs may be greater than the state pays for those drugs under the proposed discount portion of the Silver Saver program.

### D. FISCAL COMMENTS: N/A

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision**

This bill does not require municipalities or counties to spend money.

##### **2. Other: None**

#### **B. RULE-MAKING AUTHORITY: None**

#### **C. DRAFTING ISSUES OR OTHER COMMENTS: None**

### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

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| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

#### C. SECTION DIRECTORY:

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### E. FISCAL IMPACT ON STATE GOVERNMENT:

3. Revenues:
4. Expenditures:

#### F. FISCAL IMPACT ON LOCAL GOVERNMENTS:

3. Revenues:
4. Expenditures:

#### G. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

#### H. FISCAL COMMENTS:

### III. COMMENTS

#### D. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision
2. Other

#### E. RULE-MAKING AUTHORITY:

#### F. DRAFTING ISSUES OR OTHER COMMENTS:

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

