

1 (1) The agency shall conduct a cost-benefit analysis
2 of joining each multistate purchasing pool in existence at the
3 time this act becomes law in order to determine which
4 purchasing pool will provide the state the greatest cost
5 savings while retaining flexibility over the state's current
6 preferred drug list.

7 (2) Based on the cost-benefit analysis, the agency
8 shall enter into negotiations with the most appropriate
9 purchasing pool in order to begin participating in the
10 purchasing pool by January 1, 2008.

11 (3) The agency shall seek any federal waivers of
12 Medicaid law or amendments to the state plan which are
13 necessary to implement this act.

14 (4) The agency shall adopt any rules necessary to
15 administer this act.

16 Section 2. The Agency for Health Care Administration,
17 in coordination with the Department of Elderly Affairs, shall
18 conduct a study of the effects of the implementation of the
19 Medicare prescription drug benefit on Medicare enrollees in
20 this state.

21 (1) The study shall determine:

22 (a) The number of persons in this state who are
23 enrolled in the Medicare prescription drug benefit.

24 (b) The average monthly premium paid by persons in
25 this state who are enrolled in the Medicare prescription drug
26 benefit.

27 (c) The average, annual out-of-pocket expense for
28 Medicare beneficiaries before and after the implementation of
29 the Medicare prescription drug benefit on January 1, 2006.

30 (d) An estimate of the number of persons in this state
31 who exceeded their initial coverage limit and entered the

1 "donut hole" where they were responsible for the full cost of
2 their formulary drugs.

3 (2) The study shall review all initiatives in other
4 states for providing financial assistance to persons who
5 exceed their initial coverage limitation, including the cost
6 to implement a similar assistance program in this state.

7 (3) The study shall provide options and
8 recommendations concerning how Medicare beneficiaries in this
9 state can be provided assistance in obtaining necessary
10 prescriptions if they exceed their initial coverage limit.

11 (4) The agency, in coordination with the Department of
12 Elderly Affairs, may conduct the study using internal staff or
13 through a contracted consultant or university.

14 (5) The agency shall report the findings of the study
15 to the Governor, the President of the Senate, and the Speaker
16 of the House of Representatives by January 1, 2008.

17 Section 3. The sum of \$100,000 is appropriated from
18 the General Revenue Fund in nonrecurring funds to the Agency
19 for Health Care Administration for the purpose of implementing
20 this act.

21 Section 4. This act shall take effect upon becoming
22 law.

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25 SENATE SUMMARY

26 Requires the Agency for Health Care Administration to
27 join a multistate purchasing pool for Medicaid
28 prescription drugs. Requires the agency to conduct a
29 study of the effects of the Medicare prescription drug
30 benefit on Medicare enrollees. Provides an appropriation.
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