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HOUSE JOINT RESOLUTION NO. 90
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the House Committee on Rules
 on February 10, 2002)

(Patrons Prior to Substitute—Delegates Jones, S. C. and Thomas [HJR 129])

Continuing the Joint Commission on Prescription Drug Assistance.

WHEREAS, House Joint Resolution No. 810 established a joint commission to study and develop ways and means to provide prescription drug assistance to needy senior citizens and to coordinate state and federal programs providing such assistance; and

WHEREAS, during the course of the study the joint commission examined the approaches being used by at least 29 other states that have established or authorized some type of program to provide pharmaceutical coverage or assistance, primarily to low-income elderly or persons with disabilities who do not qualify for Medicaid; and

WHEREAS, state and federal programs that provide prescription drug assistance to senior citizens are of great importance to the individuals that fall into low-income categories because it is estimated that health care expenditures accounted for 32 percent of income for older persons in the lowest fifth of the income distribution scale and prescription drug costs accounted for 40 percent of out-of-pocket payments for health care goods and services; and

WHEREAS, the federal Medicare system, as originally designed and implemented in 1965, did not provide outpatient pharmacy benefits because many of the drugs now used to treat chronic diseases and diseases related to aging did not exist, and most treatment at the time emphasized surgery and hospitalization; and

WHEREAS, the federal Medicare program continues to lack an outpatient pharmacy benefit, despite general agreement that prescription drugs are critical to maintaining good health and raising the quality of life for millions of older Americans while avoiding higher health care costs, such as hospitalization; and

WHEREAS, according to the U.S. Congressional Budget Office, roughly half of the population age 65 and older have little or no prescription drug coverage; and

WHEREAS, a recent report on Medicare prescription drug coverage indicated that nearly half of Medicare beneficiaries have annual incomes less than \$15,000, and nearly one-third have annual incomes less than \$10,000; and

WHEREAS, although enrollment across the country has increased over the past year, still only about three percent of Medicare beneficiaries are covered by such programs; and

WHEREAS, in Virginia, the Medicare-eligible population is approximately 930,000, of which about 400,000 persons are without any form of prescription assistance from Medigap, employer-sponsored, or other type of prescription assistance plan, and many of these plans cover only a fraction of the cost; and

WHEREAS, because of their age and accompanying physical ailments, Medicare beneficiaries are more vulnerable to high prescription costs because of their disproportionate use of prescription medication; and

WHEREAS, Medicaid is a health insurance entitlement program funded jointly by federal and state government for certain low-income populations, including approximately 12 percent of Medicare beneficiaries nationwide; and

WHEREAS, participants in the Medicaid program receive prescription drug assistance but the program in Virginia is limited to those eligible persons whose income is 80 percent of the federal poverty level or less; and

WHEREAS, Virginia, in FY 2000, spent approximately \$223 million, 2.2 percent of its total general fund budget, on prescription drugs, accounting for an 86 percent increase over what was spent in 1996 for persons receiving services from the Departments of Medical Assistance Services, Mental Health, Mental Retardation and Substance Abuse Services, Health, Corrections, Juvenile Justice, and Human Resource Management; and

WHEREAS, although the federal government has made preliminary commitments towards instituting a Medicare prescription program or providing funding to the states to enable them to initiate their own programs, a court recently issued an injunction halting the proposed federal program and funding has been preempted for any programs currently as a consequence of the terrorist attacks of September 2001; and

WHEREAS, the joint commission, after analyzing a number of approaches, planned to issue interim recommendations to address the needs of persons in the lowest income range to help them meet the high cost of prescription drugs, but believed that it was premature for several reasons to offer a final recommendation for a comprehensive prescription drug plan; now, therefore, be it

60 RESOLVED by the House of Delegates, the Senate concurring, That the Joint Commission on
61 Prescription Drug Assistance be continued. The Commission shall be composed of eight members,
62 which shall include six legislative members and two nonlegislative members as follows: four members
63 of the House of Delegates, to be appointed by the Speaker of the House, in accordance with the
64 principles of proportional representation contained in the Rules of the House of Delegates; two members
65 of the Senate, to be appointed by the Senate Committee on Privileges and Elections; one citizen at-large
66 to be appointed by the Speaker of the House; and one citizen at-large to be appointed by the Senate
67 Committee on Privileges and Elections.

68 In its deliberations, the joint subcommittee shall consider (i) the feasibility of strengthening the
69 Commonwealth's pharmacy purchasing ability for state programs, (ii) using the savings generated to
70 create and fund a pharmacy benefits program for low-income and uninsured elderly persons, such as
71 lowering the cost of existing pharmacy benefit programs for which state general funds are expended by
72 consolidating pharmacy purchases, and (iii) pursuing cooperative arrangements with other states to pool
73 pharmacy purchases.

74 The Division of Legislative Services shall continue to provide staff support for the study.

75 All agencies of the Commonwealth shall provide assistance to the Joint Commission, upon request.

76 The direct costs of this study shall not exceed \$10,200.

77 The Joint Commission shall complete its work by November 30, 2002, and shall submit its written
78 findings and recommendations to the Governor and the 2003 Session of the General Assembly as
79 provided in the procedures of the Division of Legislative Automated Systems for the processing of
80 legislative documents.

81 Implementation of this resolution is subject to subsequent approval and certification by the Joint
82 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the
83 study.