

STAND. COM. REP. NO. 78

Honolulu, Hawaii

FEB 12 2015

RE: S.B. No. 1106
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Human Services and Housing, to which was referred S.B. No. 1106 entitled:

"A BILL FOR AN ACT RELATING TO THE MEDICAID MANAGED CARE PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to replace specific program references in the Hawaii Revised Statutes to QUEST and QUEST Expanded Access with "medicaid managed care" due to program changes within the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services. Your Committee received testimony in opposition to this measure from the Hawaii Community Pharmacists Association and Pharmaceutical Research and Manufacturers of America.

Your Committee finds that on January 1, 2015, the QUEST and QUEST Expanded Access programs within the Department of Human Services were combined into one program called QUEST Integration. Your Committee further finds that the Hawaii Revised Statutes need to be amended to remove references to the programs that no longer exist.

Your Committee heard testimony expressing concern that one of the proposed amendments in this measure authorizes Medicaid managed care health plans to subject all prescription drugs to prior authorization procedures. This change would include drugs

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for conditions such as HIV, AIDS, and Hepatitis C, which previously were not subject to preauthorization for individuals covered by the QUEST Expanded Access program.

Subsequent to the hearing and at the request of your Committee, the Department of Human Services submitted additional comments to your Committee for inclusion in this Committee Report, but not for inclusion in this measure. The additional comments of the Department concluded that the prescription preauthorization procedures in this measure will reduce the risk and exposure to the State presented by skyrocketing costs of new drugs. Specifically, this measure will align with the State's goals to provide access to quality care that follow national best practice guidelines and include a responsibility to contain costs by focusing on efficacy and sound policy. The Department indicates that actuaries are calculating the costs of providing such drugs to individuals currently not requiring preauthorization (non-aged, non-blind, and non-disabled QUEST Integration beneficiaries) over the next fiscal biennium, and that the projected estimates are \$24,000,000 in addition to what was requested in the Department's budget.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Housing,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services and Housing
HSH

Bill / Resolution No.:* SB 1106	Committee Referral: HSH, WAM	Date: 2/5/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
GREEN, Josh (VC)	✓			
HARIMOTO, Breene	✓			
RIVIERE, Gil	✓			
SLOM, Sam				✓
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes