

HB

134

<TARGET><BILL>HB 134</BILL><SUBJECT>HB
134</SUBJECT><COMM>SHSS28</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 4/2/14

FURTHER: RJes
 DATE TURNED
 IN TO OFFICE: 4/16/14

Health and Social Services Committee considered CS FOR HOUSE BILL NO. 134(HSS)

HB 134 MEDICAID PAYMENT FOR MEDISET PRESCRIPTION

"An Act requiring Medicaid payment for medication compliance packaging, delivery, and dispensing services of a prescription for specified recipients; and providing for an effective date."

and recommends:

- be replaced with SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- attached amendment(s)
- adopt HSS Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
HSS			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Micciche			✓	
	Kelly			✓	
CHAIR:	Stedman	✓			

ALASKA STATE LEGISLATURE

SENATE HEALTH & SOCIAL SERVICES COMMITTEE

Senator Bert Stedman, Chair
State Capitol, Room 30
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
Sen.Bert.Stedman@akleg.gov



Committee Members:
Senator Peter Micciche
Senator Kevin Meyer
Senator Pete Kelly
Senator Johnny Ellis

Letter of Intent for CSHB 134(HSS)

It is the intent of the Alaska State Legislature that the Commissioner of the Department of Health and Social Services make every reasonable effort to adopt equitable regulations providing the same fee established in AS 47.07.031 to all pharmacies in the state that dispense medisets or similar unit doses to qualified medical assistance recipients in the state.

Register _____, _____ 2014

HEALTH AND SOCIAL SERVICES

(4) "mediset pharmacy" means a pharmacy dispensing 75 percent or more of the total annual Medicaid prescriptions for covered outpatient drugs in prescriber-ordered medisets or unit doses to a recipient living in a congregate living home, a recipient of home and community-based waiver services, a recipient eligible for Medicaid under a category set out in 7 AAC 100.002(b) or (d) who is blind or disabled, a recipient who is an adult experiencing a serious mental illness, or a recipient who is a child experiencing a severe emotional disturbance;

(5) "out-of-state pharmacy" means an enrolled pharmacy physically located in any state other than Alaska;

(6) "pharmacy located on the road system" means a pharmacy that is physically located in a city, town, or village that is directly or indirectly connected to Anchorage by road;

(7) "pharmacy not located on the road system" means a pharmacy that is physically located in a city, town, or village that is not connected to Anchorage by road;

(8) "unit dose" means a quantity of a covered outpatient drug that the provider re-packages into single dosage packing. (Eff. 2/1/2010, Register 193; am 1/1/2011, Register 196; am 9/7/2011, Register 199; am 1/4/2012, Register 201; am ____/____/2014, Register ____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 160.900(a)(22) is repealed:

(4) "mediset pharmacy" means a pharmacy dispensing 75 percent or more of the total annual Medicaid prescriptions for covered outpatient drugs in prescriber-ordered medisets or unit doses to a recipient living in a congregate living home, a recipient of home and community-based waiver services, a recipient eligible for Medicaid under a category set out in 7 AAC 100.002(b) or (d) who is blind or disabled, a recipient who is an adult experiencing a serious mental illness, or a recipient who is a child experiencing a severe emotional disturbance;

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Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 160.900(a)(22) is repealed:

Dear Senator Stedman:

Subject: HB134- concerns from the Alaska Pharmacy Association (AKPhA)

During hearings on HB 134 in House HES it was confirmed that provisions of the bill would apply to any alaska medicaid pharmacy provider that could meet the criteria for filling medisets. Currently, per regulation, only pharmacies whose primary business(i.e. 75% or more is mediset business) are paid additional mediset fees for the additional costs associated with this service.

Other pharmacies, outside the Anchorage bowl, are also providing these services for Medicaid patients but are not currently eligible for additional compensation from Medicaid for the additional time involved with filling medisets.

During the last meeting in house finance, AKPHA was surprised and concerned to hear the commissioner of HSS indicate that only current "mediset pharmacies" would reimbursed under HB134.

At that hearing the commissioner was unable to explain why the current set of regulations limiting the billing of mediset fees to Pharmacies under the 75% Rule was established. AKPhA respectfully asks for clarification of this issue during the deliberation of this legislation in the Senate

HES committee. If necessary we would ask for legislative intent language be added to clarify that the bill should apply to all pharmacies that qualify under the language in the Act.

Regards,

Barry Christensen, RPh
Co-chair Legislative Committee
Alaska Pharmacist Association
Island Pharmacy
Ketchikan, AK
Phone: 907-225-6186
Cell: 907-821-0850

How do I find out if I am eligible for a waiver?

First, contact a care coordinator, who will help you apply. S/he will arrange for someone to come to your home to do an assessment that finds out what your medical and functional needs are. You will get a letter that tells if you are approved for services or not.

How do I find a care coordinator?

Contact an Aging and Disability Resource Center at **1-877-6AK-ADRC (1-877-625-2372)** or Senior & Disabilities Services at **269-3666**.

How do I know what services I can get?

Once you are found eligible for a waiver, your care coordinator will help you to develop a plan of care that is based on the assessment of your functional or medical needs. Sometimes there are rules that might limit what service(s) you can have. To find out what services are available in your area, visit the Service and Provider Search Tool web site: <http://dhss.alaska.gov/dsds/Pages/provider-search-redirect.aspx>

Do I have to have a care coordinator?

Yes. S/he will write your plan of care, find service providers, and check on your services. Your care coordinator will contact you at least twice each month. Once must be in person to make sure your services are working for you. You may contact your care coordinator at any time to discuss your services and any concerns you may have.

Do I have to get all my services from the same agency?

No. You may choose to get approved services from any certified provider in your area.

Contact information:

Division of Senior & Disabilities Services

550 W Eighth St.
Anchorage, AK 99501

1-907-269-3666
1-800-478-9996 (toll-free)

<http://dhss.alaska.gov/dsds/Pages/default.aspx>

Aging & Disability Resource Centers

1-877-6AK-ADRC (toll-free)
(1-877-625-2372)

<http://dhss.alaska.gov/dsds/Pages/adrc/default.aspx>

SDS Service & Provider List

<http://dhss.alaska.gov/dsds/Pages/provider-search-redirect.aspx>



Alaska's Home and Community Based Medicaid Waivers



Alaskans Living Independently Waiver

Adults with Physical and
Developmental Disabilities Waiver

Children with Complex Medical Conditions
Waiver

Intellectual and Developmental
Disabilities Waiver

ALI= Alaskans Living Independently, APDD= Adults with Physical and Developmental Disabilities,
 IDD= Intellectual and Developmental Disabilities, CCMC= Children with Complex Medical Conditions

WAIVER SERVICES

Alaska's four Medicaid waivers support the independence of Alaskans who experience physical or developmental disabilities by providing services in their homes and in the community rather than in an institution such as a nursing home. Each waiver covers a different set of services. Which services are available depend on a person's age and where s/he lives.

Services approved for each waiver are marked with a ✓; FT=full time; ALH=assisted living home.

	ALI	IDD	APDD	CCMC
*** Care coordination: All waivers require a care coordinator. Your care coordinator will work with you to identify which services you need, and make sure that you get them.	***	***	***	***
In-home supports: Up to age 18; help to get, keep or improve self-help and social skills; must live FT with unpaid caregiver.		✓		✓
Family habilitation: Help to get, keep or improve self-help and social skills; live FT in the licensed home of a paid caregiver.		✓	✓	✓
Group home: Help for ages 18+ to get, keep or improve self-help and social skills; live FT in a licensed ALH.		✓	✓	✓
Supported living: Help for ages 18+ to get, keep or improve self-help and social skills; must live FT in your own residence.		✓	✓	✓
Residential Supported Living: Help with activities of daily living for adults who can't live alone & live FT in a licensed ALH.	✓		✓	
Specialized private duty nursing services: Nursing services for ages 21+ by a licensed nurse, specific to your needs.	✓	✓	✓	
Day habilitation: Ages 3+; Recreational, other activities outside the home to develop self-help and social skills.		✓	✓	✓
Adult day services: Group adult day care provided by an organization.	✓		✓	
Respite: Occasional breaks for unpaid caregivers.	✓	✓	✓	✓
Supported employment: Training, support, and supervision to get job skills and to help find and keep a job.		✓	✓	✓
Transportation, Escort: Rides to get to community resources and activities. If necessary, help during the ride.	✓	✓	✓	✓
Environmental modifications: Health- and safety-related home modifications to your own residence.	✓	✓	✓	✓
Chore services: Regular cleaning and heavy household chores in your own residence, when no-one else can do the work.	✓	✓	✓	✓
Meals: For 18+; Ready to eat meals delivered to your own residence (other than an ALH) or served in a group setting.	✓	✓	✓	✓
Specialized medical equipment and supplies: Items that help you communicate, perform daily activities and get out & about.	✓	✓	✓	✓
Nursing oversight: A registered nurse who ensures that care of a medical nature is delivered safely.		✓		✓
Intensive active treatment: Professional treatment/therapy to prevent behavior regression or to address a family, personal, social, mental, behavior, or substance abuse problem.		✓	✓	✓

Grant Services

The Division of Senior and Disabilities Services makes grants to nonprofit organizational partners across Alaska. These partners use the funds to provide vital community based supportive services to families and individuals experiencing Developmental Disabilities (DD), Alzheimer's Disease and related Disorders (ADRD), family caregivers of seniors aged 60 and over, grandparents raising grandchildren aged 55 or over, seniors aged 60 and over, and/or frail or disable seniors who need assistance in the home.

These services are available to individuals who are waiting or do not qualify for Home and Community Based services under the Medicaid Waiver program, or who only require minimal supports that can be provided by the grant services. These grants are awarded to agencies every three or four years through a competitive process. Funding for these programs comes from the U.S. Administration on Aging, the Alaska Mental Health Trust Authority, and state general funds.

Grant Programs

For Seniors and Caregivers

- Adult Day Services
- ADRD Education, Support, and Mini-Grants
- National Family Caregiver Support Program
- Nutrition, Transportation and Support Services
- Senior Residential Services
- Senior In-Home Services

For Individuals with Developmental Disabilities

- Community Developmental Disabilities Grant Program
- Short-Term Assistance & Referral Program
- Mini-Grants
- OBRA

For Providers:

- Health promotion/Disease prevention
- NTS Senior Grant Program
- Grants and Contract Support Team
- HCB Senior Grant Programs
- STAR Program Manual - January 2013
- Grant Regulations 7 AAC 78 and 7 AAC 8
- Waiver Regulations and Conditions of Participation

Information and Referral Resources

- Aging and Disabilities Resource Center (Information, Assistance and Referral)
- DSDS Grants Unit Brochure
- Alaska 2-1-1
- Bridges Navigator Program
- Traumatic and Acquired Brain Injury
- Senior Grant Providers by Region
- Medicare Information Office

Lisa Morley

Health Program Manager III, Grants Unit
PO Box 110680,
Juneau, Alaska 99811-0680
Phone: (907) 465-4996
Fax: (907) 465-1170

Home & Community Based Senior Grants

Home and Community Based Senior Grants fund non-profit agencies to provide services to physically frail individuals 60 years of age and over, individuals of any age with Alzheimer's Disease or Related Disorders (ADRD) and caregivers to assist these Alaskans to maintain as much independence as possible and improve their quality at home or in a community-based setting. HCB Senior Grants include the following programs:

Adult Day Services:

Day care services at a center for adults with impairments, primarily, Alzheimer's Disease or Related Disorders, provided in a protective group setting that is facility-based. Therapeutic and social activities are designed to meet and promote the client's level of functioning through individual plans of care. Adult Day services provide support, respite and education for families and other caregivers, provide opportunities for social interaction and serve as an integral part of the aging network. **Adult Day Provider List**

Senior In-Home Services:

Services that provide a flexible menu of in-home services designed to meet the individual's and family's needs. Services include care coordination, chore, respite, extended respite and supplemental services. **SIH Provider List**

National Family Caregiver Support Program Services:

Services provided to the caregiver of anyone 60 and over or grandparents who are 55 and over raising grandchildren. Services include information and assistance accessing services, respite, caregiver support groups, caregiver training and supplemental services. **NFCSP Provider List**

ADRD Education and Support:

A statewide grant program providing outreach, information and referral, education, consultation and support provided to individuals with ADRD (Alzheimer's disease and related disorders), their family caregivers, professionals in the field and the general public about ADRD. A goal of the program is to raise awareness of ADRD and the issues faced by families and communities. **www.alzalaska.org**

ADRD Mini-Grants:

Grants available on a statewide bases to Alaskans diagnosed with ADRD [Alzheimer's disease and related disorders: including Parkinson's Dementia, Multi-infarct Dementia

(stroke related), Pick's Disease, Lewy Body Dementia, Huntington's Disease or Creutzfeldt-Jakob Disease.] The maximum benefit per individual per year is \$2,500 and pays for supplies or services that are not covered by other sources. Information and applications are available at www.alzaska.org or by calling 561-3313 or 1-800-478-1080.

- Eligibility and Access to Services
- Program Specific Links for Consumers or Providers

Eric Wharton

HCB Health Program Manager II

DHSS/Senior and Disabilities Services/Senior Grants Unit

PO Box 110680

Juneau, Alaska 99811-0680

Phone: (907) 465-5810

Fax: (907) 465-1170

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHB 134(HSS)
Fiscal Note Number: 1
(H) Publish Date: 3/17/14

Identifier: HB134CS(HSS)-HCMS-03-03-14
Title: MEDICAID PAYMENT FOR MEDISET
PRESCRIPTION
Sponsor: COSTELLO
Requester: House Health & Social Services Committee

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Changes to statutes in version T allow the Department to maintain its current practice of paying monthly dispensing fees and periodic mediset fees, and would not expand out-of-town delivery charges.

Prepared By: Margaret Brodie, Director Phone: (907)334-2520
Division: Health Care Services Date: 02/27/2014 12:00 AM
Approved By: Sarah Woods, Deputy Director, Finance & Management Services Date: 03/03/14
Agency: Health & Social Services

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 134(HSS)

Analysis

The bill would place a requirement in statute for the Alaska Medicaid program to pay pharmacies meeting certain criteria a fee for dispensing medications in compliance packaging (aka "mediset "), for drugs dispensed in medisets. The Department currently provides such reimbursement under regulatory authority and this bill would not require a significant change to that practice. The Department does not anticipate any increased cost as a result of putting the requirement into statute.



Representative Mia Costello
Alaska State Legislature

Sponsor Statement
House Bill 134

"An Act requiring Medicaid payment for scheduled unit dose prescription drug packaging and dispensing services for specified recipients."

A number of individuals in Alaska have medical needs so complex they are required to take a dozen or more medications daily. These persons are often frail, elderly, and experiencing a wide range of mental intellectual and developmental disabilities. For these most vulnerable persons, medication management services offer a way to simplify difficult dosing regimens.

HB 134 establishes within statute a mediset medication management service that has already proven successful in keeping those individuals faced with the most difficult dosing regimens compliant with their doctor ordered prescriptions.

In 1997 Alaska became an institution free state with the closure of Harborview Medical Center. Since then Alaska has moved to more fiscally responsible "home based" healthcare for its indigent population. Medication management is an integral part to this home based care system. It improves patient adherence to prescriptions and allows persons to remain in their home communities rather than move to much more costly institutions or nursing homes.

The state of Alaska has a mandate to pay for the care of Medicaid patients, including indigent and disabled persons. Many studies have shown that medication management programs such as mediset keep patients compliant to their medication resulting in fewer visits to the hospital and emergency room. The result is a higher quality of care at a lower cost.

At a time of tight state budgets, it is important to recognize and preserve programs that generate long term cost savings for the State of Alaska.

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Representative Mia Costello
Alaska State Legislature

Explanation of Changes
CSHB 134 (HSS) W.O. 28-LS0303\E

"An Act requiring Medicaid payment for medication compliance packaging, delivery, and dispensing services of a prescription for specified recipients; and providing for an effective date."

Several changes were made to the CS for HB 134 (HSS) by the sponsor after working with the Department of Health and Social Services. In general, several parts of the bill were reorganized so as not to create unintended costs in the department.

Other than a reorganization of parts, the only major change to HB 134 in version T is the deletion of any reference to the department paying for the shipping costs of medication compliance packaging.

These changes were made in an effort to lessen the fiscal impact HB 134 would have on the Department of Health and Social Services while maintaining the sponsor's intent for this bill.

In addition to changes made by the sponsor the Department of Health and Social Services proposed, and is in the final process of adopting, new regulations regarding pharmacy reimbursement rates. These regulations, 7 AAC 105, 120, 145, 160, will in effect provide a higher reimbursement rate for pharmacies providing medication compliance packaging under Medicaid to qualified recipients.

It is the sponsor's belief that these new regulations and the changes made to HB 134 by version E will result in a significantly lowered fiscal impact of this legislation.

Note: The Sectional Analysis for HB 134 was written to W.O. 28-LS0303 version T. Since adoption of version T, no changes have been made and the Sectional Analysis applies to version E that you have before you.

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THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of
Health and Social Services**

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March 26, 2014

Honorable Mia Costello
State Capitol Room 501
Juneau, AK 99801

Honorable Mia Costello:

Thank you for allowing me to respond to the House Finance Committee's discussion of HB 134 and, specifically, the evolution of the fiscal notes from the Department of Health and Social Services (DHSS).

HB 134 does not impact any payer other than Alaska Medicaid. State of Alaska health insurance plans, other prescription drug benefit plans, and Medicare part D plans are not implicated in the bill. Also, regardless of whether or not an additional payment is made for packaging medications in a mediset, a pharmacy is always authorized to prepare prescriptions in patient compliance packaging. HB 134 would not impact the profession's ability to dispense prescriptions in medisets; it would only require Medicaid to pay a separate fee for doing so. Finally, the bill does not prohibit single-pill medisets.

Historically, the Alaska Medicaid program paid a dispensing fee each time a drug in a mediset was dispensed. Currently, Medicaid pays a single monthly dispensing fee for each drug and an additional mediset fee for each medication up to once per week.

House Bill 134, as introduced, required the Alaska Medicaid program to pay a dispensing fee with or without a separate mediset fee for dispensing and transporting medications in compliance packaging and required the Department to consider certain specific costs in determining the fee. The committee substitute focuses on the mediset fee and clearly delineates it from the dispensing fee. The costs for DHSS to implement the committee substitute will be zero, compared to previous versions which would have required additional costs.

- The committee substitute eliminates the requirement for DHSS to pay a weekly dispensing fee, saving approximately \$1 – 2 million annually. The Legislative Research report contained in the committee record references \$2.8 – 2.9 million annual average expenditures over the prior four years, for comparison.
- The committee substitute removes the requirement for DHSS to reimburse actual transportation costs as a separate cost. If all mediset pharmacies mailed prescriptions to all mediset recipients statewide – including Fairbanks, in which at least one mediset pharmacy pledged to expand service – this cost could exceed \$2 million in transportation costs. The assumptions in our fiscal notes did not include

March 26, 2014
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100% coverage for these services, but nonetheless, the costs are avoided entirely per the current drafting.

- All of the services listed under section (b) are currently reimbursed as part of the dispensing fee, or could be. Federal regulations prohibit DHSS from paying twice for the same service; if a service is included in the dispensing fee, it will not also be included in the mediset fee. The committee substitute also removes the requirement for a new dispensing fee survey, eliminating additional costs.

Please let me know if you have additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Hooley". The signature is stylized with large, overlapping loops.

Jason Hooley
Special Assistant to the Commissioner