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4 **SENATE BILL No. 656**

5  
6 By Committee on Ways and Means

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8 4-4  
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10 AN ACT concerning social welfare; enacting the senior pharmacy plus  
11 act; providing for certain transfers and program suspensions.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. Sections 1 through 8, and amendments thereto, shall be  
15 known and may be cited as the senior pharmacy plus act.

16 Sec. 2. (a) There is hereby created the senior pharmacy plus program  
17 within the department on aging in accordance with the provisions of this  
18 act. Subject to the provisions of appropriation acts and the availability of  
19 appropriations therefor, the secretary of aging shall administer a statewide  
20 program providing financial assistance to the eligible Kansas residents for  
21 the purchase of prescription drugs.

22 Sec. 3. (a) There is hereby created the senior pharmacy plus waiver  
23 fund in the state treasury. All expenditures from the senior pharmacy plus  
24 waiver fund shall be made in accordance with the provisions of appro-  
25 priation acts upon warrants of the director of accounts and reports issued  
26 pursuant to vouchers approved by the secretary on aging or the secretary's  
27 designee.

28 (b) On the effective date of this act, or as soon as moneys are available  
29 therefor, during the fiscal year ending June 30, 2002, the director of  
30 accounts and reports shall transfer \$24,000,000 from the senior services  
31 trust fund administered by the Kansas public employees retirement sys-  
32 tem to the senior pharmacy plus waiver fund of the department on aging.

33 (c) Subject to federal approval of the pharmacy plus waiver applica-  
34 tion made pursuant to section 4, and amendments thereto, the moneys  
35 in the senior pharmacy plus waiver fund may be expended only for the  
36 purpose of providing financial assistance to eligible Kansans participating  
37 in the senior pharmacy plus program created by this act. Not more than  
38 \$20,000,000 shall be expended from the senior pharmacy plus waiver fund  
39 during the fiscal year ending June 30, 2003, of which amount, not more  
40 than \$8,000,000 shall be derived from state funds. Not more than  
41 \$20,000,000 shall be expended from the senior pharmacy plus waiver fund  
42 during the fiscal year ending June 30, 2004, of which amount, not more  
43 than \$8,000,000 shall be derived from state funds. Not more than

1 \$20,000,000 shall be expended from the senior pharmacy plus waiver fund  
2 during the fiscal year ending June 30, 2003, of which amount, not more  
3 than \$8,000,000 shall be derived from state funds.

4 (d) After June 30, 2005, any moneys remaining in the senior phar-  
5 macy plus waiver fund may be expended in fiscal year 2006 and subse-  
6 quent fiscal years in accordance with the provisions of appropriation acts,  
7 except that not more than the amount determined by applying the per-  
8 centage required by any medicaid federal matching program may be ex-  
9 pended from state funds remaining in the senior pharmacy plus waiver  
10 fund for such medicaid federal matching program.

11 Sec. 4. (a) On the effective date of this act, or as soon thereafter as  
12 possible, the secretary of aging shall consult with the secretary of social  
13 and rehabilitation services who shall apply to the United States depart-  
14 ment of health and human services for a medicaid research and demon-  
15 stration waiver under the pharmacy plus model waiver. The application  
16 shall request matching federal funds from the medicaid pharmacy plus  
17 program to provide financial assistance to eligible individuals.

18 (b) The secretary on aging shall establish eligibility requirements for  
19 individuals to receive financial assistance under the senior pharmacy plus  
20 program, subject to the following criteria:

21 (1) To be eligible for the program, an individual must be 65 years of  
22 age or older ~~or be otherwise eligible for the federal pharmacy plus pro-~~  
23 ~~gram pursuant to the waiver;~~

24 (2) unless modified as provided in subsection (b) of section 5, and  
25 amendments thereto, an eligible individual's income must not exceed  
26 200% of the federal poverty guidelines for a one person family unit and  
27 the individual's household income must not exceed 200% of the federal  
28 poverty guidelines for a two person family unit;

29 (3) an eligible individual must not qualify for funding from any other  
30 local, state or federal prescription drug program;

31 (4) an eligible individual must not be covered under any private pre-  
32 scription insurance or reimbursement plan; and

33 (5) an eligible individual must not have voluntarily canceled a local,  
34 state or federal prescription drug program or a private prescription in-  
35 surance or reimbursement plan within six months prior to application for  
36 enrollment in the senior pharmacy plus program.

37 (c) As used in this section:

38 (1) "Income" means income from whatever source derived; and

39 (2) "federal poverty guidelines" means the most recent poverty  
40 guidelines as published annually in the federal register by the United  
41 States department of health and human services.

42 Sec. 5. (a) The secretary of aging may adopt additional eligibility cri-  
43 teria as necessary to implement the provisions of the senior pharmacy

1 plus program, including, but not limited to, the following:

- 2 (1) Establish application and enrollment procedures;
- 3 (2) establish maximum annual and lifetime benefits;
- 4 (3) establish a co-payment requirement; and
- 5 (4) establish a period of open enrollment which shall be not less than  
6 30 days and shall include an enrollment period for those who become  
7 eligible during the year.

8 (b) In the event that the secretary of aging determines that the mon-  
9 eys appropriated may not meet projected expenditures for the fiscal year,  
10 the secretary of aging ***[shall not establish a waiting list, but, in lieu***  
11 ***thereof, the secretary of aging]*** may take one or more of the following  
12 actions:

- 13 (1) Establish or modify the maximum benefit;
- 14 (2) reduce the income eligibility levels set forth in section 4, and  
15 amendments thereto;
- 16 (3) increase the copayment level; or
- 17 (4) modify the period of open enrollment which shall not be less than  
18 30 days and modify the enrollment period for those who become eligible  
19 during the year.

20 Sec. 6. (a) To implement the provisions of this act, the secretary of  
21 aging is hereby authorized to negotiate and enter into contracts for the  
22 performance of the powers, duties and functions established under this  
23 act and to receive matching funds, grants, gifts, donations or other funds  
24 from the United States government, or its agencies, or private nongov-  
25 ernmental sources. Any moneys so received shall be deposited in the state  
26 treasury and credited to the senior pharmacy plus waiver fund.

27 (b) The secretary of aging may adopt such rules and regulations as  
28 are necessary to implement the provisions of this act.

29 (c) The secretary of aging may determine the rate of reimbursement  
30 for product costs and pharmacist dispensing fee.

31 Sec. 7. The provisions of this act are hereby suspended on the day  
32 upon which payments commence under any federal law enacted on or  
33 after the effective date of this act which provides financial assistance for  
34 the purchase of prescription drugs to those individuals eligible for finan-  
35 cial assistance for the purchase of prescription drugs under this act.

36 Sec. 8. Commencing on the effective date of this act, or as soon as  
37 moneys are available therefor, during the fiscal year ending June 30, 2002,  
38 the director of accounts and reports shall transfer all moneys credited to  
39 the senior services trust fund to the SRS-IGT fund of the department of  
40 social and rehabilitation services and to the aging-IGT fund of the de-  
41 partment on aging, of which 86.27% of such moneys shall be transferred  
42 to the SRS-IGT fund of the department of social and rehabilitation serv-  
43 ices and 13.73% of such moneys shall be transferred to the aging-IGT

1 fund of the department on aging.

2 Sec. 9. The senior pharmacy assistance program created pursuant to  
3 K.S.A. 2001 Supp. 75-5961 and 75-5962, and amendments thereto, shall  
4 be suspended by the secretary of aging within 60 days following approval  
5 of the federal medicaid waiver applied for pursuant to section 4, and  
6 amendments thereto.

7 Sec. 10. This act shall take effect and be in force from and after its  
8 publication in the Kansas register.

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