

**SUBSTITUTE FOR
HOUSE BILL NO. 5869**

A bill to create certain prescription programs relating to the elderly; to enhance access to prescription drugs to certain elderly residents of the state; to prescribe the powers and duties of certain state departments and agencies; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "elder prescription insurance coverage act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of community health.

5 (b) "EPIC" means the elder prescription insurance coverage
6 program created in section 3.

7 (c) "Medicaid" means the program for medical assistance
8 established under title XIX of the social security act, chapter
9 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f, 1396g-1 to 1396r-6,

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1 and 1396r-8 to 1396v, and administered by the department under
2 the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

3 (d) "Michigan resident" means a person who resides in a set-
4 tled or permanent home or domicile within the state, except for a
5 temporary absence, with the intention of remaining in this
6 state.

7 (e) "Prescription" and "prescription drug" mean those terms
8 as defined in section 17708 of the public health code, 1978 PA
9 368, MCL 333.17708.

10 Sec. 3. (1) The elder prescription insurance coverage pro-
11 gram is created within the department of community health.

12 (2) The EPIC program shall provide prescription drug cover-
13 age, including related supplies, to each person to whom all of
14 the following apply:

15 (a) The person is a Michigan resident 65 years of age or
16 older.

17 (b) The person has a household income at or below 200% of
18 the federal poverty level.

19 (c) The person is not eligible for medicaid.

20 (d) Excluding medicare supplemental insurance or a federal
21 program described in subsection (3), the person is not covered by
22 other insurance that provides prescription drug coverage.

23 (3) The EPIC program is a payer of last resort. If the fed-
24 eral government establishes a pharmaceutical assistance program
25 that covers EPIC eligible seniors under medicare or any other
26 program, the EPIC program shall cover only eligible costs not
27 covered by the federal program.

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1 (4) The Michigan emergency pharmaceutical program for
2 seniors shall be continued until the EPIC program is fully
3 implemented.

4 Sec. 4. The department may do all of the following:

5 (a) Enter into a contract with a private individual or
6 agency to manage the EPIC program created under this act. A con-
7 tract entered into under this section shall be awarded through a
8 competitive bidding process.

9 (b) Require a copayment on each prescription. No copayment
10 is required for a person who has a household income equal to or
11 less than 100% of the federal poverty level. For a person who
12 has a household income between 100% to 200% of the federal pov-
13 erty level, the department shall establish and implement a gradu-
14 ated annual copayment policy. The total annual copayment shall
15 not exceed 5% of the person's annual household income. No single
16 copayment shall exceed 20% of the cost of the prescription being
17 purchased.

18 (c) Require an annual enrollment fee that does not exceed
19 \$25.00 per person. This enrollment fee shall apply to the annual
20 copayment.

21 Sec. 5. To assist in determining the coverage appropriate
22 under the provisions of this act, the department shall establish
23 a steering committee. The committee shall consist of consumer
24 representatives and members with knowledge in the areas of phar-
25 macology, geriatrics, development and review of budgetary issues
26 and practice, and policy development. The committee shall meet
27 at least once each year.

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1 Sec. 6. (1) The department shall do all of the following:

2 (a) Give enrollment priority to a person who in the 12-month
3 period preceding the effective date of this act participated in
4 the Michigan emergency pharmaceutical program for seniors funded
5 in the annual appropriation for the department or who received a
6 senior prescription tax credit in former section 273 of the
7 income tax act of 1967, 1967 PA 281.

8 (b) The department shall make emergency pharmaceutical
9 assistance available to provide coverage for up to 90 days to
10 eligible persons as the department determines is necessary.
11 Eligibility requirements for emergency vouchers shall not be more
12 restrictive than the requirements established for the Michigan
13 emergency pharmaceutical program for seniors previously funded in
14 the annual appropriation for the department.

15 (c) Work with the office of services to the aging estab-
16 lished in section 5 of the older Michiganians act, 1981 PA 180,
17 MCL 400.585, to increase awareness of the EPIC program and assist
18 elderly persons in applying for the EPIC program.

19 (d) Establish an automated pharmacy claims adjudication and
20 prospective utilization review system. The EPIC program shall
21 not be implemented until after the department has complied with
22 this subsection.

23 (e) Ensure that any pharmaceutical dispensing fee allowed
24 under EPIC is equal to the pharmaceutical dispensing fee allowed
25 under the medicaid program.

26 (2) The department shall establish an expedited enrollment
27 process or emergency pharmaceutical assistance if an otherwise

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1 eligible EPIC applicant immediately needs to obtain a medically
2 necessary prescription.

3 Sec. 7. The EPIC program created in this act is not an
4 entitlement. The benefits of the EPIC program are limited to the
5 extent of the level of funding received for the program in the
6 annual appropriation from the department. The department may
7 limit the number of elderly persons enrolled in the EPIC program
8 to ensure that program expenditures do not exceed available
9 revenue.

10 Sec. 8. The department shall provide quarterly reports to
11 the senate and house appropriations committees, and the senate
12 and house fiscal agencies, that include quantified data as to the
13 number of program applicants, enrollees, expenditures, and the
14 number of enrollees subsequently found eligible for medicaid.
15 Each report shall also contain an estimate of whether the current
16 rate of expenditures will exceed the existing amount of money
17 appropriated for the EPIC program in the current fiscal year.

18 Enacting section 1. Section 273 of the income tax act of
19 1967, 1967 PA 281, MCL 206.273, is repealed on January 1 of the
20 year immediately following the first year that the EPIC program
21 provides prescription drug coverage to a person under this act.