



EXHIBIT 5
DATE Jan 11 2005

Prescription Drug Program Proposal Related to I-149

Presented to the Human Services Joint Sub-Committee of Appropriations & Finance
January 11, 2005

Recommendations: (Figures are estimated annual expenditures)

1. **Montana Rx Access**— a program to provide a meaningful Rx benefit of \$600 annually that will help seniors and disabled persons eligible for Medicare obtain the new federal Part D benefit, and for special populations named in I-149 as described below:
 - a. Medicare Beneficiaries enrolling in Medicare Part D (new Rx benefit coming January 2006), from 135-199% FPL, n=20,000
 - b. Benefit: \$600 annually to cover monthly premiums & deductible for Part D.

Cost: \$ 12 M

- c. Kids with Special Health Needs (asthma, diabetes, cranial/facial)-- Currently, the \$90,000 spent is only for prescriptions regarding their condition, there is no other pharmacy benefit available under the program; high Rx burden for these children. N=200 individuals.

Cost: \$ 100,000

- d. Patients Classified as Disabled under SSI Standards (under 200% of FPL) - Approximately 1200 persons would be eligible for this benefit. This benefit would cover some pharmacy expenses for the 2 year waiting period after being classified as disabled, but before Medicare benefits begin. Benefit: \$600 annually

Cost: \$720,000

2. **Montana Rx Plus** – A State Pharmacy Discount Program for the uninsured. Modeled after successful programs in Maine, Hawaii, and Vermont, this program provides discounts on prescription drugs to uninsured Montanans up to 250% of the federal poverty level. Pharmacists voluntarily participate, selling drugs at Medicaid discounted rates. Pharmacists are reimbursed for deeper discounts (of 15% to 40%) from pharmaceutical company rebates. This program could benefit up to 150,000 Montanans of all ages.

Cost: \$900,000 one time start up funds, rebates fund the program thereafter. This program is proposed as an option for DPHHS to implement if funding is available.

- 3. Evidence Based Research on the Comparative Effectiveness of Rx Drugs** (Oregon State University research system) for wise use information for consumers and prescribing healthcare professionals.

Cost: \$30,000

- 4. Montana PharmAssist** A program to link local pharmacists with any Montanan for consultations on safe and effective, less-expensive alternative drugs, potentially harmful drug interactions, and over medication. Modeled after the successful Wyoming State program that is saving participants from \$350-\$420 a year. Pharmacists receive \$50 from the state and \$25 from the consumer per consult. Consults can be conducted through senior center HRDCs or through a 800# hotline for online.

Cost: \$400,000

- 5. Counter-detailing education outreach for prescribing professionals.** Program would create materials to education physicians about the costs and benefits of various drugs, and to encourage them to practice cost-conscious prescribing. Costs include education and outreach materials and department staff. Other states are reaping significant savings in drug costs to state Medicaid program.

Cost: \$100,000

- 6. Departmental Administration:** Staff for enrollment and outreach for Rx Access and Counter-detailing program; staff training for SHIP and INA counselors for outreach and enrollment in all programs; materials for enrollment and outreach; software expenses for new Affordable Rx Website; costs of adding one consumer member to the state Formulary Committee. Authorization to participate in a national multi-state initiative for bulk purchasing of Rx.

Cost: \$200,000

TOTAL Estimated COST: \$ 13.55 M