

**REPORT TO THE TWENTY-THIRD HAWAII
STATE LEGISLATURE 2006**

**INACCORDANCE WITH THE PROVISIONS OF
SECTION 346-319, HAWAII REVISED STATUTES, ON THE
ENROLLMENT AND FINANCIAL STATUS OF THE
HAWAII RX PLUS PROGRAM**

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
November, 2005**

**2005 ANNUAL REPORT TO THE TWENTY-FOURTH LEGISLATURE ON THE
ENROLLMENT AND FINANCIAL STATUS OF THE HAWAII RX PLUS PROGRAM
PURSUANT TO SECTION 346-319, HAWAII REVISED STATUTES**

In accordance with Section 346-319, Hawaii Revised Statutes, the Department of Human Services (DHS) is submitting this annual report to the State Legislature on the enrollment and financial status of the Hawaii Rx Plus Program. The program was first implemented on July 1, 2004, and as a result, the initial report included paid expenditures for the program through October 2004. This second report provides the enrollment data for November 2004 through August 2005 and financial information for the period July 2004 through August 2005.

I. Enrollment

A. Aloha United Way 211 Agreement

In June 2004, the Department entered into a one-year agreement with the Aloha United Way (AUW) 211. The agreement, which ended on June 4, 2005, allowed the Department to use “211” as the call number for telephone inquires, the AUW 211 agreed to respond to questions about the Hawaii Rx Plus Program, mail the applications and brochures upon request, maintain a log of calls and mail-outs, and submit a monthly report to the Department.

From June 2004 through June 2005, AUW 211 received 4,884 telephone inquires and mailed-out 5,630 Hawaii Rx Plus applications and brochures. Refer to Table 1 below.

Table 1.

Month/Year	Number of Calls	Number of Callers Requesting Applications	Number of Applications Requested
06/04	154	126	141
07/04	1226	1012	1593
08/04	989	519	729
09/04	534	390	1978
10/04	430	262	308
11/04	241	190	215
12/04	153	117	152
01/05	253	66	63
02/05	355	169	252
03/05	372	81	115
04/05	113	46	54
05/05	56	23	25
06/05	8	5	5
TOTAL	4884	3006	5630

B. RxAmerica Call Center Agreement

The Department proposed to expand the agreement with AUW 211, however, the program would not have been able to support the added cost. As the agreement with

AUW 211 was to end in June 2005, the Department entered into an agreement with RxAmerica at no cost. In addition to using RxAmerica Call Center staff for telephone inquiries, the agreement allows RxAmerica to accept application information for the Hawaii Rx Plus Program over the telephone. After being trained on the program's policies and procedures, the RxAmerica Call Center's staff began accepting callers' application information over the telephone. The application data is electronically sent to the Hawaii Rx Plus office for disposition.

From September 30, 2005 to November 1, 2005, 48 applications were received through the RxAmerica Call Center.

C. Outreach Activities

Various outreach activities were conducted statewide.

1. Hawaii Rx Plus Literature Is Available at Various Locations Statewide

Hawaii Rx Plus applications and brochures are available at various locations statewide, including the Med-QUEST Division Eligibility Offices, community health centers, the Aloha United Way 211, and State and County offices.

2. Department of Labor and Industrial Relations, Unemployment Insurance Division

Beginning in July 2004 and ending in October 2005, the Department of Labor and Industrial Relations, Unemployment Insurance Division, in support of the Department's outreach efforts, included a set of the Hawaii Rx Plus application and brochure with every claimant's unemployment insurance check.

3. Hawaii Rx Plus Web Site (www.HawaiiRxPlus.com)

As of September 30, 2005, the Hawaii Rx Plus web site received over 9,900 hits. The web site serves as an additional outreach source for the Hawaii Rx Plus Program. Included as things people can do on the web site are access answers to Frequently Asked Questions, access the most current list of participating pharmacies, and access a PDF application that allows people to type in all of the necessary information before printing, making it even easier for people to apply.

4. Enrollment Fairs

From August 2004 through August 2005, the Department participated in several health fairs statewide to educate Hawaii residents about the Hawaii Rx Plus Program and to enroll qualified residents.

The week of February 20, 2005 was proclaimed “Hawaii Rx Plus Enrollment Week.” The event was in coordination with the Longs Drugs stores, the Hawaii Pharmacy Association, and the Department of Human Services. All Hawaii Rx Plus participating pharmacies had forms onsite and forwarded completed applications to the Hawaii Rx Plus Program.

5. Presentations

From August 2004 through August 2005, the Department conducted over 45 presentations at various health clinics, senior centers, and county offices of aging statewide. At these presentations, the program’s eligibility requirements were reviewed, along with how to properly complete the application form, answering the most common frequently asked questions, followed by answering any additional questions that the group may have had. A supply of Hawaii Rx Plus material was also left for the group.

6. Auto Enrollment – Opt-Out Project

From December 2004 through February 2005, 123,857 former medical assistance applicants and recipients whose requests for medical assistance were either denied or terminated since 1999, and recipients who were not getting full Medicaid coverage, were automatically enrolled by the Department in the Hawaii Rx Plus Program.

The Department used the information reported by these individuals on the “Medical Assistance Application” form to determine eligibility for Hawaii Rx Plus. Individuals who chose not to participate in Hawaii Rx Plus were disenrolled from the program by the auto-enrolled member mailing in an opt-out notice to the Department.

D. Number of Participants

As of September 30, 2005, there were 149,739 individuals participating in the Hawaii Rx Plus Program. Since its implementation on July 1, 2004 through September 30, 2005, 84,602 applications were received. Of the 84,602 applications, 63,730 were approved; 20,748 were denied (due to not being a State resident, having excess income, or having prescription drug coverage); and 124 were incomplete (no signature, no income information, no date of birth, etc.) and are pending awaiting additional information.

II. Participating Pharmacies

As of October 31, 2005, 143 pharmacies (89%) out of the 161 pharmacies in the State are participating in the Hawaii Rx Plus Program.

A. Average Discounted Price

From July 2004 through July 2005, prescriptions for 10,635 brand name drugs and 26,085 generic drugs were filled. Participants who opted for brand name drugs experienced an average savings of approximately 13.79%; those who requested generic drugs saved an average of 31.69%. The total average savings were 21.97%. Refer to Table 2 below. Data for March 2005 is not available at this time.

Table 2.

Category	07/04	08/04	09/04	10/04	11/04	12/04	01/05	02/05	03/05	04/05	05/05	06/05	07/05	TOTAL
Total Number of Prescriptions	341	1,065	1,873	2,180	2,636	2,776	3,748	3,921		4,615	4,818	4,447	4,300	36,720
Brand Drugs	126	352	591	719	830	827	1,052	1,118		1,280	1,335	1,230	1,175	10,635
Generic Drugs	215	713	1,282	1,461	1,806	1,949	2,696	2,803		3,335	3,483	3,217	3,125	26,085
Ingredient Cost + Dispensing Fee	\$15,800.62	\$40,845.71	\$72,145.86	\$87,122.65	\$102,832.67	\$109,394.90	\$149,167.86	\$148,633.73		\$175,327.11	\$185,943.77	\$165,839.08	\$157,785.61	\$1,410,839.57
Brand Drugs	\$10,665.68	\$25,558.20	\$44,171.21	\$53,845.91	\$63,278.42	\$66,905.09	\$87,018.34	\$89,008.80		\$103,838.31	\$109,969.48	\$96,484.68	\$93,302.06	\$844,046.18
Generic Drugs	\$5,134.94	\$15,287.51	\$27,974.65	\$33,276.74	\$39,554.25	\$42,489.81	\$62,149.52	\$59,624.93		\$71,488.80	\$75,974.29	\$69,354.40	\$64,483.55	\$566,793.39
Retail Pricing Comparison	\$19,681.94	\$51,493.47	\$90,856.83	\$110,035.82	\$130,710.75	\$138,985.63	\$189,152.69	\$188,789.26		\$224,430.98	\$240,234.64	\$215,776.35	\$206,586.85	\$1,806,735.21
Brand Drugs	\$12,246.89	\$29,855.35	\$51,216.98	\$63,279.87	\$73,330.13	\$77,741.45	\$101,600.20	\$103,035.17		\$120,046.04	\$126,600.12	\$111,022.37	\$108,332.88	\$978,307.45
Generic Drugs	\$7,435.05	\$21,638.12	\$39,639.85	\$46,755.95	\$57,380.62	\$61,244.18	\$87,552.49	\$85,754.09		\$104,384.94	\$113,634.52	\$104,753.98	\$98,253.97	\$828,427.76
Cost Savings	\$3,881.32	\$10,647.76	\$18,710.97	\$22,913.17	\$27,878.08	\$29,590.73	\$39,984.83	\$40,155.53		\$49,103.87	\$54,290.87	\$49,937.27	\$48,801.24	\$395,895.64
Brand Drugs	\$1,581.21	\$4,297.15	\$7,045.77	\$9,433.96	\$10,051.71	\$10,836.36	\$14,581.86	\$14,026.37		\$16,207.73	\$16,630.64	\$14,537.69	\$15,030.82	\$134,261.27
Generic Drugs	\$2,300.11	\$6,350.61	\$11,665.20	\$13,479.21	\$17,826.37	\$18,754.37	\$25,402.97	\$26,129.16		\$32,896.14	\$37,660.23	\$35,399.58	\$33,770.42	\$261,634.37
Savings in Per Cent	19.7%	20.7%	20.6%	20.8%	21.3%	21.3%	21.1%	21.3%		21.9%	22.6%	23.1%	23.6%	21.9%
Brand Drugs	12.9%	14.4%	13.8%	14.9%	13.7%	13.9%	14.4%	13.6%		13.5%	13.1%	13.1%	13.9%	13.7%
Generic Drugs	30.9%	29.3%	29.4%	28.8%	31.1%	30.6%	29.0%	30.5%		31.5%	33.1%	33.8%	34.4%	31.6%

III. Expenditures and Financial Status

The 2004 State Legislature appropriated \$400,000 for fiscal year 2004-2005 to implement the Hawaii Rx Plus program. The following lists the expenditures for the Program.

ITEM	COST
Advertising (Including Bus Posters)	\$134,431.42
Hardware/Software	\$5,277.88
Office Equipment	\$3,082.00
Payroll	\$55,609.18
Postage	\$95,970.00
Printing	\$19,984.99
Supplies	\$16,148.83
TOTAL	\$330,504.30

The unexpended balance of \$69,495.70 was lapsed into the General Fund on July 1, 2005.