

**REPORT TO THE TWENTY-FIFTH HAWAII
STATE LEGISLATURE 2010**

**IN ACCORDANCE 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
January 2010**

**2009 ANNUAL REPORT TO THE TWENTY-FIFTH 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 implemented on July 1, 2004. This report provides enrollment data and financial information for State Fiscal Year 2009, July 2008 through June 2009.

I. Enrollment

A. Hawaii Rx Plus Staff

The DHS Med-QUEST Division is responsible for the administrative oversight and logistical support for the Hawaii Rx Plus staff. The staff is responsible for the daily operations of the program including providing program eligibility information, processing applications, entering eligibility data into the Hawaii Rx Plus computer database, generating approval or denial notices, making changes on eligibility status, and issuing membership cards and a list of the participating pharmacies to eligible members.

B. RxAmerica Call Center Agreement

The Department has an agreement with RxAmerica to use the RxAmerica Call Center as a resource for telephone inquiries about the program as well as application referrals. RxAmerica provides these services at no cost to the Department. The agreement allows RxAmerica, trained on the program's policies and procedures, to accept application information for the Hawaii Rx Plus Program over the telephone. The application data is electronically sent to the Hawaii Rx Plus office for disposition and entry into the data system.

II. Outreach Activities

Hawaii Rx Plus applications and brochures are available at various locations statewide, including the Med-QUEST Division Eligibility Offices, community health centers, and various physician offices.

III. Number of Participants

The number of enrollees in the Hawaii Rx Plus program declined again in FY 2009.

The number of enrollees in Hawaii Rx Plus in FY 2009: 98,950
The number of enrollees in Hawaii Rx Plus in FY 2008: 100,583
The number of enrollees in Hawaii Rx Plus in FY 2007: 107,434
The number of enrollees in Hawaii Rx Plus in FY 2006: 111,977

In FY 2009, 354 applications were received compared to 339 in FY 2008. Of the 354 applications, 314 were approved; 18 were denied (due to not being a State resident, having excess income, or having prescription drug coverage); and 22 were incomplete (no signature, no income information, no date of birth, etc.) and were pending awaiting additional information. The dispositions of the applications that were pending at the close of FY 2009 will be included in the statistics of the next Legislative Report.

The Hawaii Rx Plus program continued to experience a gradual decrease in membership during FY 2009. The decrease could be attributed to members who lost eligibility. Reasons for ineligibility could include death of a member, loss of state residency, increased earnings, or children who are dropped from their parents' case when they turned age 18 and failed to respond to an application sent to them by the Hawaii Rx Plus staff. A decrease in applications can also be attributed to the Medicare Part D Prescription Drug program that started in January 2006. Medicare beneficiaries who were potential Hawaii Rx Plus program members could choose to use Medicare Part D coverage for their medications.

The number of members who used Hawaii Rx Plus benefits remained the same in FY 2009.

The number of members who used Hawaii Rx Plus benefits in FY 2009: 2,474
The number of members who used Hawaii Rx Plus benefits in FY 2008: 2,473
The number of members who used Hawaii Rx Plus benefits in FY 2007: 3,353
The number of members who used Hawaii Rx Plus benefits in FY 2006: 6,858

IV. Participating Pharmacies

There are 160 pharmacies in the State participating in the Hawaii Rx Plus Program. The increase from 158 pharmacies is due to new chain pharmacies opening for business while independents have closed or sold to the chains.

V. Expenditures and Financial Status

A. Average Discounted Price

In FY 2009, prescriptions for 2,440 brand name drugs and 12,380 generic drugs were filled. Participants who opted for brand name drugs experienced average savings of approximately 12.0% and those who requested generic drugs saved an average of 38.7%. The total average savings were 28.2%. Refer to Table 1 below.

Table 1
Price Savings Comparison for FY 2009

Category	Number of Prescriptions	Ingredient Cost plus Dispensing Fee	Retail Pricing Comparison	Cost Savings	Savings in Percent
Brand	2,440	\$254,308.02	\$289,054.56	\$34,746.54	12.0%
Generic	12,380	\$275,866.21	\$449,816.02	\$173,949.81	38.7%
Totals	14,820	\$530,174.23	\$738,870.58	\$208,696.35	28.2%

B. Drug Utilization

The number of enrolled members in FY 2009: 98,950.

The number of members who used Hawaii Rx Plus benefits in FY 2009: 2,474.

See Table 2 for more detailed statistics of customer utilization for FY 2009.

Table 2
Customer Utilization Statistics FY 2009

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Average Monthly
Average Active Members Enrolled Per Month	100,357	100,024	99,655	99,322	99,839
Average Number of Members Served Per Month	616	569	515	659	590

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Average Monthly
Average New Prescriptions Per Month	692	626	557	773	662
Average Refills Per Month	564	544	484	700	573
Average Total Prescriptions Per Month	1,256	1,170	1,041	1,473	1,235

	FY 2007	FY 2008	FY 2009	Comparison of FY 2008 to 2009
Average Generic Prescription Cost	\$23.26	\$24.39	\$22.28	Decrease 8.7%
Average Prescription Cost	\$37.30	\$36.40	\$35.69	Decrease 2.0%
Brand Multi Source Prescription Cost	\$54.95	\$50.33	\$86.46	Increase 71.8%
Brand Single Source Prescription Cost	\$86.30	\$94.56	\$106.12	Increase 12.2%

The number of members who utilized their Hawaii Rx Plus benefits began to decline in the second quarter of FY 2006. This was expected as the Medicare Part D program was implemented on January 1, 2006. Members who were Medicare beneficiaries became eligible for prescription drug coverage from Medicare Part D Prescription Drug Plans (PDP). Members with Medicare were very likely to find it more cost effective to obtain medications from the Medicare Part D PDPs than through Hawaii Rx Plus, where the pricing is based on the Medicaid discount price. These members may limit their Hawaii Rx Plus utilization for coverage of the Medicare Part D deductibles and periods of non-coverage (the Part D “Doughnut Hole”).

C. Commonly Prescribed Drugs

The ten most frequently prescribed medications over the year include the following types of drugs (in descending order of number of prescriptions): Analgesics for pain, anti-anxiety agents, beta blockers (for hypertension, angina, congestive heart failure, arrhythmia, etc.), anti-hypertensives, cholesterol reducing agents, thyroid agents, anti-depressants, and anti-tussive agents. Some types of drugs are repeated within the top ten prescriptions. Prescriptions for these agents represent 47% of all of the prescriptions filled during the year.

D. Consideration of Other Mechanisms to Reduce Drug Prices

Various mechanisms exist by which “savings” or discounts for prescription drugs can be achieved. Some of the mechanisms include instituting disease management programs and face to face consultation with pharmacists, among others. The Department will continue to work with the various community groups including the Executive Office on Aging and AARP, to review various options to be pursued for the Hawaii Rx Plus program.

The State and DHS may desire to consider a careful review of a similar prescription discount program with the City and County of Honolulu. This program is available statewide at over 200 pharmacies with similar discounts as offered in Hawaii Rx Plus. The City and County program, Caremark, is free to anyone who wants a card. The pre-numbered cards are available at City Hall and all the satellite City Halls. In light of the State’s budgetary crisis and staffing reductions, transferring Hawaii Rx Plus clients to the City and County Caremark program may be an efficient consolidation of effort and resources.