

**REPORT TO THE TWENTY-SIXTH HAWAII STATE
LEGISLATURE 2011**

**IN ACCORDANCE WITH THE PROVISIONS OF
SECTION 346-342, HAWAII REVISED STATUTES**

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
December 2011**

2010 ANNUAL REPORT ON THE STATE PHARMACY ASSISTANCE PROGRAM, SECTION 346-347, HAWAII REVISED STATUTES

Section 346-347, Hawaii Revised Statutes, requires the Department of Human Services (DHS) to submit an annual report to the State Legislature on the enrollment and financial status of the State Pharmacy Assistance Program (SPAP).

I. Enrollment

The State Pharmacy Assistance Program (SPAP) began on January 1, 2006, in response to the initiation of the Medicare Prescription Drug Benefit Program. For the State Fiscal Year 2010 (SFY 2010), July 1, 2009 through June 30, 2010, there were 43,554 eligible Hawaii residents enrolled in SPAP, of which there were 21,561 unique utilizers. This was a 9.7% increase in the Medicare/Medicaid enrollees who are auto-enrolled from SFY 2009 when 39,514 eligible residents were enrolled.

For SFY 2010, July 1, 2009 through June 30, 2010, SPAP received 135 mailed applications from the community requesting assistance from SPAP. Out of the 135 applications, 17 were approved and 118 were denied due to their income, assets or duplicated SPAP auto-enrollment status.

II. Expenditures and Financial Status

For SFY 2010, July 1, 2009 through June 30, 2010, the Department expended \$1,509,118.52 on eligible prescription drug co-payments for persons who are both Medicare and Medicaid eligible with incomes not exceeding 150% of the Federal Poverty Level (FPL).

SPAP expenditures increased 17% from \$1,294,716.90 in SFY 2009 to \$1,509,117.52 in SFY 2010. The increase in SPAP expenditures occurred when, beginning calendar year 2010, CMS allowed diabetes related supplies to be paid via Medicare Part D plans which significantly contributed to the increase in SPAP expenditures. At the same time, CMS authorized a 4% increase in the Part D co-pay amount for brand-name drugs, which the Part D prescription drug plans passed onto the SPAP programs.