

**TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE**

**REGARDING HOUSE BILL 1465**

**MARCH 9, 2005**

**Chairman Lee, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding this proposed legislation.**

**This bill directs the Department to develop a plan to implement the provisions of the Part D Medicare Prescription Drug program. As of January 1, 2006, all dual eligible Medicaid recipients will have their prescription drugs paid by the Medicare program. States will be required to pay a 90% clawback to the federal government based on the 2003 drug cost for this group inflated forward to the 2006 calendar year. Currently, the Medicaid Program pays drug coverage for these individuals.**

**The bill also authorizes the Department to use the services of a consultant to assist in the development of the plan and permits us to bypass the normal state procurement process for contract services. It also provides guidance regarding payment of drugs for dual eligible recipients after Part D is implemented.**

**It also requires the Department to report on the progress of implementing Medicare Part D.**

**The bill provides for a \$100,000 appropriation of which \$50,000 is general funds to be used in the current biennium to contract for a consultant to assist in the implementation of this new program.**

**I would be happy to respond to any questions you may have.**