

By: Senator(s) Smith

To: Public Health and
Welfare; Appropriations

SENATE BILL NO. 2720

1 AN ACT TO AUTHORIZE AND DIRECT THE DIVISION OF MEDICAID TO
2 ENTER INTO CONTRACTS WITH PRIVATE INSURERS TO PROVIDE HEALTH
3 INSURANCE COVERAGE TO ELIGIBLE PERSONS FOR PRESCRIPTION DRUGS AND
4 PHARMACEUTICAL SERVICES WITH THE COST OF SUCH COVERAGE TO BE
5 SUBSIDIZED BY THE STATE ON A SLIDING SCALE BASIS; TO PROVIDE
6 ELIGIBILITY REQUIREMENTS; TO AUTHORIZE THE DIVISION OF MEDICAID TO
7 ADOPT RULES TO ADMINISTER THE PROGRAM; TO CREATE THE SENIOR RX
8 FUND; AND FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** As used in this act:

11 (a) "Division" means Division of Medicaid, Office of
12 the Governor.

13 (b) "Senior Rx Program Fund" is the fund to be used for
14 the purchase of insurance coverage under the Public/Private Senior
15 Rx Program.

16 **SECTION 2.** (1) The division shall enter into private
17 contracts with private insurers who transact health insurance in
18 this state to arrange for the availability, at a reasonable cost,
19 of policies of health insurance that provide coverage to eligible
20 persons for prescription drugs and pharmaceutical services.

21 (2) A person is eligible for a subsidy under the
22 Public/Private Senior Rx Program who is:

- 23 (a) Sixty-five (65) years or older;
- 24 (b) A state resident;
- 25 (c) Not eligible for Medicaid;
- 26 (d) Without any prescription drug coverage; and
- 27 (e) Income eligible.

28 (3) Income eligibility:

29 (a) To become eligible for the Public/Private Senior Rx
30 Program, an individual must have resources (as determined under 42



31 USC 1382(b) for the purposes of the supplemental security income
32 program) that does not exceed twice the maximum amount of
33 resources that an individual may have to obtain benefits under
34 that program; and

35 (b) To be income eligible for the Public/Private Senior
36 Rx Program and qualify for a subsidy, an individual must meet the
37 qualifications under this subsection.

38 (c) A Public/Private Senior Rx Program participant is
39 entitled to an annual grant from the Senior Rx Program fund to
40 subsidize a portion of the cost of insurance to the extent
41 determined by the participant's household income as follows:

42 Amount of		Percent of Cost
43 Household Income	But Not Over	of Insurance
44 is Over		Allowable as a Subsidy
45 \$0	\$12,700	100
46 \$12,700	\$14,800	90
47 \$14,800	\$17,000	80
48 \$17,000	\$19,100	50
49 \$19,100	\$21,500	25

50 (d) Individuals who meet all eligibility requirements
51 for the Public/Private Senior Rx Program but whose household
52 income exceeds the amount to qualify for a subsidy may participate
53 in the program by purchasing prescription drug policies from
54 participating private insurers at fair market value but may not
55 receive any subsidy.

56 (e) The amount of any subsidy granted pursuant to this
57 section must not exceed the annual cost of insurance that provides
58 coverage for prescription drugs and pharmaceutical services.

59 **SECTION 3.** (1) A senior citizen who wishes to receive a
60 subsidy pursuant to this act must file a request therefor with the
61 division.



62 (2) The request must be made under oath and filed in such
63 form and content, and accompanied by such proof, as the division
64 may prescribe.

65 (3) The division shall, within forty five (45) days after
66 receiving a request for a subsidy, examine the request, grant or
67 deny it, and if granted, shall determine the amount of the subsidy
68 to which the senior citizen is entitled.

69 (4) The division shall determine who is eligible to receive
70 a subsidy pursuant to this act and pay the subsidy directly to an
71 insurer with whom the division has entered into a contract
72 pursuant to this act.

73 (5) Any subsidy granted pursuant to this act to a person who
74 is not qualified for such a subsidy may be revoked by the
75 division. If a subsidy is so revoked, the ineligible person shall
76 make restitution to the division for any subsidy he has improperly
77 received and the division shall take all proper actions to collect
78 the amount of the subsidy as a debt.

79 (6) The division shall deny any request for a subsidy
80 received pursuant to this act to which a person is not entitled or
81 any amount in excess of that to which a person is entitled.

82 **SECTION 4.** The division may deny in total any request which
83 it finds to have been filed with fraudulent intent. If any such
84 request has been repaid and is afterward denied, the amount of the
85 subsidy must be paid by the person who received the benefits of
86 the subsidy to the division.

87 **SECTION 5.** Any amounts received by the division pursuant to
88 this act shall be deposited with the State Treasurer for credit to
89 the Senior Rx Program fund, which is hereby created in the State
90 Treasury.

91 **SECTION 6.** Any person who is aggrieved by a decision of the
92 division denying a request for a subsidy submitted pursuant to
93 this act is entitled to judicial review thereof.



94 **SECTION 7.** The division is responsible for the
95 administration of the Public/Private Senior Rx Program and may:

96 (a) Prescribe the content and form of a request for a
97 subsidy required to be submitted pursuant to this act;

98 (b) Designate the proof that must be submitted with
99 such a request;

100 (c) Adopt regulations to protect the confidentiality of
101 information supplied by a senior citizen requesting a subsidy
102 pursuant to this act; and

103 (d) Adopt such other regulations as may be required to
104 carry out the provisions of this act.

105 **SECTION 8.** No person may publish, disclose or use any
106 personal or confidential information contained in a request for a
107 subsidy submitted pursuant to this act except for purposes
108 relating to the administration of this act.

109 **SECTION 9.** The division shall, in cooperation with the State
110 Tax Commission and the Mississippi Department of Human Services:

111 (a) Combine all possible administrative procedures
112 required for determining those persons who are eligible for
113 assistance under this act;

114 (b) Coordinate the collection of information required
115 to carry out those provisions in a manner that requires persons
116 requesting assistance to furnish information in as few reports as
117 possible; and

118 (c) Design forms that may be used jointly by the
119 Department of Health, the Department of Taxation and the various
120 counties in this state to carry out the provisions of this act.

121 **SECTION 10.** This act shall take effect and be in force from
122 and after July 1, 2002.

