2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 154 **STATUS:** Original
SUBJECT: Repeals the Senior Prescription Drug Assistance Program
GOVERNMENT UNIT AFFECTED: Department of Human Services
PREPARED BY: Kim To
REVIEWED BY: John Britton
DATE: January 30, 2009

	2009-2011	2011-2013
EXPENDITURES: See Analysis		

	2009-2011	2011-2013
REVENUES: See Analysis		

EFFECTIVE DATE: January 1, 2010

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: This bill repeals Oregon Revised Statutes 414.340, 414.342, 414.344, 414.346 and 414.348 which created the Senior Prescription Drug Assistance Program and established the Senior Prescription Drug Assistance Fund. Designed to provide prescription drug assistance for people 65 years of age and older with income 185% or less of the federal poverty level who have no other prescription drug coverage, the 2001 Act required the Department of Human Services (DHS) to administer a program that would enable eligible seniors to buy prescription drugs at the Medicaid rate from pharmacies enrolled with DHS agreeing to provide the prescription drugs at that discounted rate. Participating seniors paid an annual fee of up to $50 to enroll in the program. In addition to the enrollment fee, the Senior Prescription Drug Assistance Fund could receive any appropriations, allocations, federal moneys or gifts to offset the cost of administering the program.

At the October 2002 Emergency Board, DHS received spending authority for 10 limited duration positions to administer the program – maintaining protocols and pharmacy enrollment as well as accounting for funds and managing information systems. Eight of these positions were filled, but due to exceedingly low enrollment, all ten positions were phased out June 30, 2003. DHS states that since its inception, the program enrollment never exceeded 300 clients and currently serves 3 clients. DHS suggests that low enrollment is due to the fact that soon after passage of the 2001 Act, better options became available for seniors, such as the Oregon Prescription Drug Program and Medicare Part D offering a prescription drug benefit for Medicare recipients.

With three clients, passage of this bill would result in a biennial Other Funds revenue reduction of $300. In addition, at the end of November 2008, the Senior Prescription Drug Assistance Fund has an Other Funds revenue balance of $28,185.