

MAR 1 2005  
HUMAN RESOURCES

HOUSE FILE 493  
BY HOGG

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to state subsidization of cost-sharing under the  
2 Medicare Part D prescription drug program, and providing a  
3 standing appropriation.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 493

1 Section 1. NEW SECTION. 217.45 STATE SUBSIDIZATION --  
2 MEDICARE PART D BENEFICIARIES.

3 1. The department of human services shall adopt rules to  
4 provide for all of the following under Part D of the federal  
5 Medicare Prescription Drug, Improvement, and Modernization Act  
6 of 2003, Pub. L. No. 108-173:

7 a. Payment of one hundred percent of the out-of-pocket  
8 expenditures for monthly premiums not covered by any other  
9 third-party source, for beneficiaries enrolled in Medicare  
10 Part D, with incomes between one hundred thirty-five percent  
11 and two hundred fifty percent of the federal poverty level.

12 b. Application of the coinsurance, deductible, and  
13 copayment provisions for beneficiaries enrolled in Medicare  
14 Part D with incomes between one hundred thirty-five percent  
15 and one hundred fifty percent of the federal poverty level to  
16 beneficiaries enrolled in Medicare Part D with incomes between  
17 one hundred fifty percent and two hundred fifty percent of the  
18 federal poverty level who also meet the asset test for  
19 beneficiaries with incomes between one hundred thirty-five  
20 percent and one hundred fifty percent of the federal poverty  
21 level. The state shall pay any resulting cost differential in  
22 out-of-pocket expenditures of a beneficiary not otherwise  
23 covered by any other third-party source.

24 2. There is appropriated from the general fund of the  
25 state to the department of human services for the fiscal year  
26 beginning July 1, 2005, and each fiscal year thereafter, an  
27 amount sufficient for funding of the state subsidization  
28 provisions provided for in this section.

29 3. For the purposes of this section, "federal poverty  
30 level" means the poverty income guidelines as defined by the  
31 most recently revised poverty income guidelines published by  
32 the United States department of health and human services.

33 EXPLANATION

34 This bill directs the department of human services (DHS) to  
35 adopt rules to subsidize the out-of-pocket expenditures for

1 certain individuals under Part D of the federal Medicare  
2 Prescription Drug, Improvement, and Modernization Act of 2003.

3 The bill provides for payment of 100 percent of the out-  
4 of-pocket expenditures for monthly premiums not covered by any  
5 other third-party source, for beneficiaries enrolled in  
6 Medicare Part D, with incomes between 135 percent and 250  
7 percent of the federal poverty level.

8 The bill also provides for application of the coinsurance,  
9 deductible, and copayment provisions for beneficiaries  
10 enrolled in Medicare Part D with incomes between 135 percent  
11 and 150 percent of the federal poverty level to beneficiaries  
12 enrolled in Medicare Part D with incomes between 150 percent  
13 and 250 percent of the federal poverty level who also meet the  
14 asset test for beneficiaries with incomes between 135 percent  
15 and 150 percent of the federal poverty level. The bill  
16 provides that the state will pay any resulting cost  
17 differential in out-of-pocket expenditures of a beneficiary  
18 not otherwise covered by any other third-party source.

19 The bill also provides a standing appropriation to DHS,  
20 annually, in an amount sufficient to fund the state  
21 subsidization provisions of the bill.

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