

SENATE BILL 621

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J1

2000 Regular Session  
(01r1327)

**ENROLLED BILL**  
-- Finance/Environmental Matters --

Introduced by **Senator Sfikas**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER 544

1 AN ACT concerning

2 **Maryland Pharmacy Assistance Program - ~~Adjustments to Income and Asset~~**  
3 **~~Requirements - Request for a Study and Proposal~~ Coverage Programs**

4 FOR the purpose of ~~altering the maximum asset and income levels allowed to qualify~~  
5 ~~for eligibility under the Maryland Pharmacy Assistance Program; increasing the~~  
6 ~~maximum copayment allowed under the Program; requiring the Secretary of~~  
7 ~~Health and Mental Hygiene to develop a program to encourage~~ *provide*  
8 *information to certain applicants to the Maryland Pharmacy Assistance*  
9 *Program to seek certain prescription coverage; requiring the Secretary of Health*  
10 ~~and Mental Hygiene, together with the Maryland Health Care Commission,~~  
11 *certain persons,* and other appropriate State agencies, to study and ~~propose~~  
12 *report on the possibility of* a certain pharmacy assistance plan; requiring the  
13 Secretary to submit a certain report ~~and proposal~~ on or before a certain date;  
14 and generally relating to the Maryland Pharmacy Assistance Program.

15 BY repealing and reenacting, with amendments,  
16 Article - Health - General

1 Section 15-124  
 2 Annotated Code of Maryland  
 3 (1994 Replacement Volume and 1999 Supplement)

4 Preamble

5 WHEREAS, Senior citizens are commonly afflicted with multiple chronic health  
 6 conditions necessitating a high level of use of prescription medications; and

7 WHEREAS, Compliance with prescribed medicine regimens is a significant  
 8 factor in the optimal management and control of chronic disease and in maintaining  
 9 a healthy older citizenry; and

10 WHEREAS, The cost of prescription medicines is, for many low and moderate  
 11 income seniors, an out-of-pocket expense not covered by Medicare or any other  
 12 affordable health insurance program, and often one they are unable to meet given  
 13 their fixed incomes and limited financial resources; and

14 WHEREAS, The State of Maryland wishes to assist seniors with limited  
 15 financial resources so that they can be compliant with their prescribed medicine  
 16 regimens and able to maintain their health and independence; and

17 WHEREAS, The State of Maryland wishes to create a means of providing  
 18 prescription medicines to seniors with limited financial resources so that they will  
 19 restore or maintain their health and well-being; now, therefore,

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Health - General**

23 15-124.

24 (a) (1) The Department shall maintain a Maryland Pharmacy Assistance  
 25 Program for low income individuals whose:

26 (i) Assets are not more than ~~{1.5}~~~~4.0~~ times the amount of  
 27 accountable resources according to the asset schedule of the Maryland Medical  
 28 Assistance Program; and

29 (ii) Gross annual income does not exceed:

30 1. ~~{\$4,600}~~~~-\$12,200~~ plus \$500 for each individual over 1 in a  
 31 family unit; and

32 2. An annual increase set by the Secretary under paragraph  
 33 (2)(ii)4 of this subsection.

34 (2) (i) 1. In this paragraph the following words have the meanings  
 35 indicated.



1 Program and shall be subject to a copayment of not more than ~~¥\$5.00¥~~ \$6.00 for each  
2 covered item or service.

3 (c) (1) Except as provided under paragraph (4) of this subsection and unless  
4 the change is made by an emergency regulation, the Maryland Pharmacy Assistance  
5 Program shall notify all pharmacies under contract with the Program in writing of  
6 changes in the Pharmaceutical Benefit Program rules or requirements at least 30  
7 days before the change is effective.

8 (2) Changes that require 30 days' advance written notice under  
9 paragraph (1) of this subsection are:

10 (i) Exclusion of coverage for classes of drugs as specified by  
11 contract;

12 (ii) Changes in prior or preauthorization procedures; and

13 (iii) Selection of new prescription claims processors.

14 (3) If the Maryland Pharmacy Assistance Program fails to provide  
15 advance notice as required under paragraph (1) of this subsection, it shall honor and  
16 pay in full any claim under the Program rules or requirements that existed before the  
17 change for 30 days after the postmarked date of the notice.

18 (4) Notwithstanding any other provision of law, the notice requirements  
19 of this subsection do not apply to the addition of new generic drugs authorized under  
20 § 12-504 of the Health Occupations Article.

21 (d) (1) The Secretary shall adopt rules and regulations that authorize the  
22 denial, restriction, or termination of eligibility for recipients who have abused  
23 benefits under the Maryland Pharmacy Assistance Program.

24 (2) As a condition of participation, the Department may require  
25 Maryland Pharmacy Assistance Program participants to apply for eligibility in the  
26 Maryland Medical Assistance Program within 60 days of notification to do so by the  
27 Department.

28 (3) The rules and regulations shall require that the recipient be given  
29 notice and an opportunity for a hearing before eligibility may be denied, restricted, or  
30 terminated under this subsection.

31 ~~(E) (1) THE SECRETARY, IN COOPERATION WITH THE MARYLAND HEALTH  
32 CARE COMMISSION AND OTHER APPROPRIATE STATE AGENCIES, SHALL STUDY AND  
33 PROPOSE A BUY-IN PRESCRIPTION ASSISTANCE PROGRAM FOR THE ELDERLY WHO  
34 HAVE ASSETS AND INCOMES OVER THE ELIGIBILITY LEVELS ESTABLISHED UNDER  
35 SUBSECTION (A)(1) AND (2) OF THIS SECTION.~~

36 ~~(2) THE SECRETARY SHALL GIVE PRIORITY TO ADOPTING A PROGRAM  
37 REQUIRED TO BE PROPOSED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

1           (3)     ~~ON OR BEFORE DECEMBER 31, 2000, THE SECRETARY SHALL ISSUE A~~  
2 ~~FINAL REPORT ON THE PROPOSAL AND ON A COMPREHENSIVE STRATEGY FOR, AND~~  
3 ~~ESTIMATE OF COSTS OF, THE PROPOSAL TO THE GOVERNOR AND, SUBJECT TO §~~  
4 ~~2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.~~

5     ~~(E)     THE SECRETARY SHALL DEVELOP A PROGRAM, IN CONSULTATION WITH~~  
6 ~~APPROPRIATE STATE AGENCIES, THAT WILL ENCOURAGE APPLICANTS TO THE~~  
7 ~~MARYLAND PHARMACY ASSISTANCE PROGRAM TO SEEK PRESCRIPTION COVERAGE~~  
8 ~~THROUGH:~~

9           ~~(1)     FREE PROGRAMS OFFERED BY DRUG MANUFACTURERS; AND~~

10          ~~(2)     IF APPLICABLE, THE AIDS ADMINISTRATION.~~

11     ~~(E)     THE SECRETARY SHALL DEVELOP A PROGRAM, IN CONSULTATION WITH~~  
12 ~~APPROPRIATE AGENCIES, THAT WILL PROVIDE INFORMATION TO INELIGIBLE~~  
13 ~~MARYLAND PHARMACY ASSISTANCE PROGRAM APPLICANTS REGARDING OTHER~~  
14 ~~PROGRAMS THAT THEY MAY BE ELIGIBLE FOR INCLUDING FREE PROGRAMS~~  
15 ~~OFFERED BY DRUG MANUFACTURERS.~~

16     ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

17           ~~(1)     The Secretary of Health and Mental Hygiene, in cooperation with the~~  
18 ~~Maryland Health Care Commission, the Department of Aging, the University of~~  
19 ~~Maryland School of Pharmacy, two senior citizens appointed by the Governor, and~~  
20 ~~other appropriate State agencies, shall study and propose report on the possibility of a~~  
21 ~~buy-in prescription assistance program for the elderly who have assets and incomes~~  
22 ~~over the eligibility levels established under the Maryland Pharmacy Assistance~~  
23 ~~Program.~~

24           ~~(2)     On or before December 1, 2000, the Secretary of Health and Mental~~  
25 ~~Hygiene shall issue a final report on the proposal findings required under paragraph~~  
26 ~~(1) of this section, including a comprehensive strategy for, and a cost estimate of, the~~  
27 ~~proposal, to the Governor and, subject to § 2-1246 of the State Government Article, to~~  
28 ~~the General Assembly.~~

29     ~~SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take~~  
30 ~~effect July 1, 2000.~~