

ENROLLED BILL

-- Health and Government Operations/Finance and Budget and Taxation --

Introduced by ~~Delegate Donoghue~~ **Delegates Donoghue, Benson, Boteler, Boutin, Bromwell, Costa, Elliott, Frank, Hammen, Hubbard, Hurson, Kach, Kullen, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Pendergrass, V. Turner, and Weldon Weldon, Anderson, Barkley, Bartlett, Barve, Bates, Bozman, Busch, Cane, Cardin, G. Clagett, V. Clagett, Conroy, Doory, Eckardt, Edwards, Elmore, Frush, Gilleland, Glassman, Haddaway, Harrison, Haynes, Healey, Hixson, Hogan, Howard, Jennings, Jones, Kelly, Kirk, Krysiak, Love, Malone, Marriott, McComas, McHale, McKee, Miller, Minnick, Moe, Myers, Paige, Parker, Parrott, Patterson, Rosenberg, Rudolph, Shank, Shewell, Smigiel, Sophocleus, Sossi, Stocksdale, Stull, F. Turner, Vaughn, Walkup, Weir, Wood, and Zirkin**

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.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Medbank Program - ~~Grants from Nonprofit Health Service Plans~~**
3 **Special Fund Study**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene and the
5 Maryland Medbank Program to report on or before a certain date to the Governor
6 and General Assembly on the effect on participation in the Maryland Medbank

1 Program of the implementation and availability of certain prescription drug
 2 programs, the effect that participation in these programs will have on certain
 3 Medbank costs, and the efforts by Medbank to minimize administrative expenses
 4 and reduce reliance on public funds; and generally relating to a study of the
 5 Maryland Medbank Program. Maryland Medbank Program to be funded
 6 through grants from nonprofit health service plans; providing that a certain
 7 provision of law does not apply to certain nonprofit health service plans;
 8 requiring a nonprofit health service plan to provide a grant in a certain amount
 9 to the Maryland Medbank Program for a certain purpose; and generally relating
 10 to grants from nonprofit health service plans for the Maryland Medbank
 11 Program. the Maryland Medbank Program Fund; establishing the Maryland
 12 Medbank Program Fund; establishing the purposes of the Fund; requiring the
 13 Department of Health and Mental Hygiene to administer the Fund; providing
 14 that the Fund is a special, nonlapsing fund; requiring the State Treasurer to
 15 hold the Fund and the Comptroller to account for the Fund; providing that the
 16 Fund consists of revenue received by the State as a result of the Federal
 17 Medicare Drug, Improvement, and Modernization Act of 2003 and certain other
 18 money; specifying certain amounts of money to be provided to the Fund in
 19 certain years; requiring that investment earnings be paid into the Fund;
 20 requiring the Fund to be used only for the operation of the Maryland Medbank
 21 Program; providing that, subject to a certain procedure, expenditures from the
 22 Fund may only be made in accordance with the State budget; and generally
 23 relating to funding for the Maryland Medbank Program and the Maryland
 24 Medbank Program Fund.

25 ~~BY repealing and reenacting, with amendments,~~
 26 ~~Article Health General~~
 27 ~~Section 15-124.2~~
 28 ~~Annotated Code of Maryland~~
 29 ~~(2000 Replacement Volume and 2004 Supplement)~~

30 ~~BY repealing and reenacting, with amendments,~~
 31 ~~Article Insurance~~
 32 ~~Section 14-102(h)~~
 33 ~~Annotated Code of Maryland~~
 34 ~~(2002 Replacement Volume and 2004 Supplement)~~

35 ~~BY adding to~~
 36 ~~Article Insurance~~
 37 ~~Section 14-106.1~~
 38 ~~Annotated Code of Maryland~~
 39 ~~(2002 Replacement Volume and 2004 Supplement)~~

40 ~~BY adding to~~
 41 ~~Article Health General~~
 42 ~~Section 15-124.3~~

1 Annotated Code of Maryland
 2 (2000 Replacement Volume and 2004 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 4 MARYLAND, That ~~the Laws of Maryland read as follows:~~ on or before September 1,
 5 2005, the Department of Health and Mental Hygiene and the Maryland Medbank
 6 Program shall report to the Governor and, in accordance with § 2-1246 of the State
 7 Government Article, to the General Assembly on:

8 (1) the effect on participation in the Maryland Medbank Program of:

9 (i) the implementation of Medicare Part D under Title XVIII of the Social
 10 Security Act, as amended; and

11 (ii) the availability of the Maryland Pharmacy Discount Program to
 12 uninsured individuals with an annual household income below 200% of the federal
 13 poverty level;

14 (2) the effect that participation in the programs under item (1) of this section
 15 will have on ongoing costs of the Maryland Medbank Program; and

16 (3) the efforts by the Maryland Medbank Program to minimize administrative
 17 expenses and reduce reliance on public funds.

18 **~~Article—Health—General~~**

19 ~~15-124.2.~~

20 (a) ~~In this section, "Program" means the Maryland Medbank Program~~
 21 ~~established under this section.~~

22 (b) ~~There is a Maryland Medbank Program.~~

23 (c) ~~The purpose of the Program is to improve the health status of individuals~~
 24 ~~throughout the State who lack prescription drug coverage by providing access to~~
 25 ~~medically necessary prescription drugs through patient assistance programs~~
 26 ~~sponsored by pharmaceutical drug manufacturers.~~

27 (d) (1) ~~Subject to paragraph (2) of this subsection, the Program shall be~~
 28 ~~administered by the Medbank of Maryland, Inc.~~

29 (2) ~~The Medbank of Maryland, Inc. shall contract with one or more~~
 30 ~~government or nonprofit entities to operate the Program.~~

31 (e) (1) ~~The Program shall be funded through:~~

32 (I) ~~[a] A grant provided by the Department; AND~~

33 (II) ~~GRANTS FROM NONPROFIT HEALTH SERVICE PLANS UNDER §~~
 34 ~~14-106.1 OF THE INSURANCE ARTICLE.~~

1 ~~(H) THE MARYLAND MEDBANK PROGRAM FUND ESTABLISHED~~
2 ~~UNDER § 15-124.3 OF THIS SUBTITLE.~~

3 (2) Program funds may be used in part to:

4 (i) Purchase interim supplies of prescription drugs for enrollees
5 who have applied to participate in a manufacturer's patient assistance program but
6 have not yet received the approved prescription drug; and

7 (ii) Distribute medication to enrollees who have been approved to
8 participate in a manufacturer's patient assistance program.

9 (f) (1) The Medbank of Maryland, Inc. shall ensure that the Program is
10 available to residents in each of the following geographic regions of the State:

11 (i) Western Maryland;

12 (ii) The Eastern Shore;

13 (iii) The Baltimore metropolitan area;

14 (iv) The Maryland counties in the Washington, D.C. metropolitan
15 area; and

16 (v) Southern Maryland, including Anne Arundel County.

17 (2) Medbank of Maryland, Inc. shall be the central coordinating office for
18 the State.

19 (g) Eligibility for the Program shall be limited only by the criteria established
20 by pharmaceutical manufacturers for their patient assistance programs.

21 (h) (1) The Department shall require detailed financial reports at least
22 quarterly from Medbank of Maryland, Inc.

23 (2) The Medbank of Maryland, Inc. shall release funds to the entities
24 that operate the Program as needed and justified by the quarterly reports filed in
25 accordance with paragraph (1) of this subsection.

26 (i) On or before December 1, 2001, and annually thereafter, the Department
27 and Medbank of Maryland, Inc. shall report to the Governor and, in accordance with
28 § 2-1246 of the State Government Article, to the General Assembly, on the status of
29 the Maryland Medbank Program established under this section, including:

30 (1) The number and demographic characteristics of the State residents
31 served by the Program;

32 (2) The types and retail value of prescription drugs accessed through the
33 Program;

1 ~~(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE~~
2 ~~COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~

3 ~~(F) THE FUND CONSISTS OF:~~

4 ~~(1) SUBJECT TO SUBSECTION (G) OF THIS SECTION, REVENUE RECEIVED~~
5 ~~BY THE STATE THAT IS PROVIDED TO EMPLOYERS AS A RESULT OF THE FEDERAL~~
6 ~~MEDICARE DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003; AND~~

7 ~~(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE~~
8 ~~BENEFIT OF THE FUND.~~

9 ~~(G) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:~~

10 ~~(1) FOR FISCAL YEAR 2006, THE AMOUNT PROVIDED TO THE FUND~~
11 ~~UNDER SUBSECTION (F)(1) OF THIS SECTION SHALL CONSIST OF \$800,000 OF ANY~~
12 ~~REVENUE RECEIVED IN EXCESS OF \$8.5 MILLION; AND~~

13 ~~(2) FOR FISCAL YEAR 2007 AND EACH SUBSEQUENT FISCAL YEAR, THE~~
14 ~~AMOUNT PROVIDED TO THE FUND UNDER SUBSECTION (F)(1) OF THIS SECTION~~
15 ~~SHALL CONSIST OF \$1 MILLION.~~

16 ~~(H) THE FUND MAY BE USED ONLY FOR THE OPERATION OF THE MARYLAND~~
17 ~~MEDBANK PROGRAM.~~

18 ~~(I) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE~~
19 ~~SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.~~

20 ~~(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO~~
21 ~~THE FUND.~~

22 ~~(J) SUBJECT TO THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN §~~
23 ~~7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, EXPENDITURES FROM~~
24 ~~THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.~~

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2005.