
By: **Delegate Donoghue**

Introduced and read first time: February 11, 2005

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medbank Program - Grants from Nonprofit Health Service Plans**

3 FOR the purpose of requiring the Maryland Medbank Program to be funded through
4 grants from nonprofit health service plans; providing that a certain provision of
5 law does not apply to certain nonprofit health service plans; requiring a
6 nonprofit health service plan to provide a grant in a certain amount to the
7 Maryland Medbank Program for a certain purpose; and generally relating to
8 grants from nonprofit health service plans for the Maryland Medbank Program.

9 BY repealing and reenacting, with amendments,
10 Article - Health - General
11 Section 15-124.2
12 Annotated Code of Maryland
13 (2000 Replacement Volume and 2004 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - Insurance
16 Section 14-102(h)
17 Annotated Code of Maryland
18 (2002 Replacement Volume and 2004 Supplement)

19 BY adding to
20 Article - Insurance
21 Section 14-106.1
22 Annotated Code of Maryland
23 (2002 Replacement Volume and 2004 Supplement)

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

1 **Article - Health - General**

2 15-124.2.

3 (a) In this section, "Program" means the Maryland Medbank Program
4 established under this section.

5 (b) There is a Maryland Medbank Program.

6 (c) The purpose of the Program is to improve the health status of individuals
7 throughout the State who lack prescription drug coverage by providing access to
8 medically necessary prescription drugs through patient assistance programs
9 sponsored by pharmaceutical drug manufacturers.10 (d) (1) Subject to paragraph (2) of this subsection, the Program shall be
11 administered by the Medbank of Maryland, Inc.12 (2) The Medbank of Maryland, Inc. shall contract with one or more
13 government or nonprofit entities to operate the Program.

14 (e) (1) The Program shall be funded through:

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

16 (II) GRANTS FROM NONPROFIT HEALTH SERVICE PLANS UNDER §
17 14-106.1 OF THE INSURANCE ARTICLE.

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

19 (i) Purchase interim supplies of prescription drugs for enrollees
20 who have applied to participate in a manufacturer's patient assistance program but
21 have not yet received the approved prescription drug; and22 (ii) Distribute medication to enrollees who have been approved to
23 participate in a manufacturer's patient assistance program.24 (f) (1) The Medbank of Maryland, Inc. shall ensure that the Program is
25 available to residents in each of the following geographic regions of the State:

26 (i) Western Maryland;

27 (ii) The Eastern Shore;

28 (iii) The Baltimore metropolitan area;

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

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

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

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

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

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

10 (i) On or before December 1, 2001, and annually thereafter, the Department
11 and Medbank of Maryland, Inc. shall report to the Governor and, in accordance with
12 § 2-1246 of the State Government Article, to the General Assembly, on the status of
13 the Maryland Medbank Program established under this section, including:

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

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

18 (3) The nature and extent of outreach performed to inform State
19 residents of the assistance available through the Program; and

20 (4) The total volume and retail value of each brand name drug, by
21 manufacturer, accessed through the Program.

22 **Article - Insurance**

23 14-102.

24 (h) The provisions of subsections (d) and (e) of this section and §§ [14-106,
25 14-115(d), (e), (f), and (g)] 14-106, 14-106.1, 14-115(D), (E), (F), AND (G), and 14-139(d)
26 and (e) of this subtitle do not apply to a nonprofit health service plan that insures
27 between 1 and 10,000 covered lives in Maryland or issues contracts for only one of the
28 following services:

29 (1) podiatric;

30 (2) chiropractic;

31 (3) pharmaceutical;

32 (4) dental;

33 (5) psychological; or

34 (6) optometric.

1 14-106.1.

2 BEGINNING IN FISCAL YEAR 2006 AND CONTINUING EACH YEAR THEREAFTER, A
3 NONPROFIT HEALTH SERVICE PLAN SHALL PROVIDE A \$2,000,000 GRANT TO THE
4 MARYLAND MEDBANK PROGRAM ESTABLISHED UNDER § 15-124.2 OF THE HEALTH -
5 GENERAL ARTICLE FOR THE PURPOSE OF OFFSETTING THE ADMINISTRATIVE
6 EXPENSES OF THE PROGRAM.

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