
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

Introduced and read first time: February 11, 2005
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted with floor amendments
Read second time: March 21, 2005

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of requiring the Maryland Medbank Program to be funded through
5 ~~grants from nonprofit health service plans; providing that a certain provision of~~
6 ~~law does not apply to certain nonprofit health service plans; requiring a~~
7 ~~nonprofit health service plan to provide a grant in a certain amount to the~~
8 ~~Maryland Medbank Program for a certain purpose; and generally relating to~~
9 ~~grants from nonprofit health service plans for the Maryland Medbank Program.~~
10 the Maryland Medbank Program Fund; establishing the Maryland Medbank
11 Program Fund; establishing the purposes of the Fund; requiring the
12 Department of Health and Mental Hygiene to administer the Fund; providing
13 that the Fund is a special, nonlapsing fund; requiring the State Treasurer to
14 hold the Fund and the Comptroller to account for the Fund; providing that the
15 Fund consists of revenue received by the State as a result of the Federal
16 Medicare Drug, Improvement, and Modernization Act of 2003 and certain other
17 money; specifying certain amounts of money to be provided to the Fund in

1 certain years; requiring that investment earnings be paid into the Fund;
2 requiring the Fund to be used only for the operation of the Maryland Medbank
3 Program; providing that, subject to a certain procedure, expenditures from the
4 Fund may only be made in accordance with the State budget; and generally
5 relating to funding for the Maryland Medbank Program and the Maryland
6 Medbank Program Fund.

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

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

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

22 BY adding to
23 Article - Health - General
24 Section 15-124.3
25 Annotated Code of Maryland
26 (2000 Replacement Volume and 2004 Supplement)

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

29 **Article - Health - General**

30 15-124.2.

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

33 (b) There is a Maryland Medbank Program.

34 (c) The purpose of the Program is to improve the health status of individuals
35 throughout the State who lack prescription drug coverage by providing access to

1 medically necessary prescription drugs through patient assistance programs
2 sponsored by pharmaceutical drug manufacturers.

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

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

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

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

9 ~~(II) GRANTS FROM NONPROFIT HEALTH SERVICE PLANS UNDER §~~
10 ~~14-106.1 OF THE INSURANCE ARTICLE.~~

11 (II) THE MARYLAND MEDBANK PROGRAM FUND ESTABLISHED
12 UNDER § 15-124.3 OF THIS SUBTITLE.

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

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

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

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

21 (i) Western Maryland;

22 (ii) The Eastern Shore;

23 (iii) The Baltimore metropolitan area;

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

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

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

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

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

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

4 (i) On or before December 1, 2001, and annually thereafter, the Department
5 and Medbank of Maryland, Inc. shall report to the Governor and, in accordance with
6 § 2-1246 of the State Government Article, to the General Assembly, on the status of
7 the Maryland Medbank Program established under this section, including:

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

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

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

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

16 **~~Article—Insurance~~**

17 ~~14-102.~~

18 ~~(h) The provisions of subsections (d) and (e) of this section and §§ [14-106,~~
19 ~~14-115(d), (e), (f), and (g)] 14-106, 14-106.1, 14-115(D), (E), (F), AND (G), and 14-139(d)~~
20 ~~and (e) of this subtitle do not apply to a nonprofit health service plan that insures~~
21 ~~between 1 and 10,000 covered lives in Maryland or issues contracts for only one of the~~
22 ~~following services:~~

23 ~~(1) podiatric;~~

24 ~~(2) chiropractic;~~

25 ~~(3) pharmaceutical;~~

26 ~~(4) dental;~~

27 ~~(5) psychological; or~~

28 ~~(6) optometric.~~

29 ~~14-106.1.~~

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

1 15-124.3.

2 (A) IN THIS SECTION, "FUND" MEANS THE MARYLAND MEDBANK PROGRAM
3 FUND.

4 (B) THERE IS A MARYLAND MEDBANK PROGRAM FUND.

5 (C) THE PURPOSE OF THE FUND IS TO SUPPORT THE OPERATION OF THE
6 MARYLAND MEDBANK PROGRAM ESTABLISHED UNDER § 15-124.2 OF THIS SUBTITLE.

7 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

8 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
9 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE
11 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

12 (F) THE FUND CONSISTS OF:

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

16 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE
17 BENEFIT OF THE FUND.

18 (G) NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

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

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

25 (H) THE FUND MAY BE USED ONLY FOR THE OPERATION OF THE MARYLAND
26 MEDBANK PROGRAM.

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

29 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO
30 THE FUND.

31 (J) SUBJECT TO THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN §
32 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, EXPENDITURES FROM
33 THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

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