
By: Chairman, Finance Committee (Departmental - Health and Mental Hygiene)

Introduced and read first time: January 27, 1997

Rule 32(e) suspended

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: March 4, 1997

CHAPTER ____

1 AN ACT concerning

2 **Maryland Pharmacy Assistance Program**

3 FOR the purpose of repealing the termination provision for certain limitations of
4 coverage and copayment requirements in the Maryland Pharmacy Assistance
5 Program; and generally relating to the Maryland Pharmacy Assistance Program.

6 BY repealing and reenacting, without amendments,

7 Article - Health - General

8 Section 15-124

9 Annotated Code of Maryland

10 (1994 Replacement Volume and 1996 Supplement)

11 BY repealing and reenacting, with amendments,

12 Chapter 401 of the Acts of the General Assembly of 1991, as amended by Chapter

13 98 of the Acts of the General Assembly of 1993 and Chapter 573 of the Acts

14 of the General Assembly of 1995

15 Section 3

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Health - General**

19 15-124.

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

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1 (i) Assets are not more than 1.5 times the amount of accountable
2 resources according to the asset schedule of the Maryland Medical Assistance Program;
3 and

4 (ii) Gross annual income does not exceed:

5 1. \$4,600 plus \$500 for each individual over 1 in a family unit;
6 and

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

9 (2) (i) 1. In this paragraph the following words have the meanings
10 indicated.

11 2. "Income disregard" means the exclusion of up to \$1,000 of
12 annual income earned by an individual as a client of a sheltered workshop if the
13 individual's sole other income is derived from a Social Security payment.

14 3. "Sheltered workshop" means a workshop licensed by the
15 Developmental Disabilities Administration under Title 7, Subtitle 9 of the Health -
16 General Article.

17 (ii) For the purpose of paragraph (1) of this subsection, the Secretary
18 shall:

19 1. In order to determine eligibility for the Maryland Pharmacy
20 Assistance Program, deduct any income disregards from the countable gross income of a
21 unit that contains a disabled individual;

22 2. Define excluded assets;

23 3. Establish a family unit structure; and

24 4. Beginning July 1, 1985, increase annually at the time Social
25 Security benefits are increased, rounded to the next highest even \$50 level, the income
26 level within which an individual is eligible for benefits under the Maryland Pharmacy
27 Assistance Program by the larger of:

28 A. The percentage by which benefits under Title II of the Social
29 Security Act (42 U.S.C. 401-433) are increased by the federal government due to
30 cost-of-living changes as that percentage is reported in the Federal Register pursuant to
31 42 U.S.C. 415(i)(2)(d) but not to exceed 8 percent; or

32 B. The dollar amount by which the medical assistance income
33 schedules are increased by the State.

34 (b) (1) (i) Reimbursement under the Maryland Pharmacy Assistance
35 Program shall be limited to maintenance drugs, anti-infectives, and AZT as specified in
36 regulations to be issued by the Secretary after consultation with the Maryland
37 Pharmacists Association.

38 (ii) 1. For any drug on the Program's interchangeable drug list, the
39 Program shall reimburse providers in an amount not more than it would reimburse for the

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1 drug's generic equivalent, unless the individual's physician states, in his or her own
2 handwriting, on the face of the prescription, that a specific brand is "medically necessary"
3 for the particular patient.

4 2. If an appropriate generic drug is not generally available, the
5 Department may waive the reimbursement requirement under sub-subparagraph 1 of this
6 subparagraph.

7 (2) The reimbursement shall be up to the amount paid for the same items or
8 services under the pharmacy program of the Maryland Medical Assistance Program and
9 shall be subject to a copayment of not more than \$5.00 for each covered item or service.

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

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

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

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

19 (iii) Selection of new prescription claims processors.

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

24 (4) Notwithstanding any other provision of law, the notice requirements of
25 this subsection do not apply to the addition of new generic drugs authorized under §
26 12-508 of the Health Occupations Article.

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

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

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

36 **Chapter 401 of the Acts of 1991, as amended by Chapter 98 of the Acts of 1993 and**
37 **Chapter 573 of the Acts of 1995**

38 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
39 measure, is necessary for the immediate preservation of public health and safety, has

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1 been passed by the yea and nay vote supported by three-fifths of the members elected to
2 each of the two Houses of the General Assembly, and shall take effect from the date it is
3 enacted. [At the end of June 30, 1997, with no further action required by the General
4 Assembly, this Act shall be abrogated and of no further force and effect.]

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 1997.