

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 1058 (Delegate Elliott. *et al.*)

Economic Matters

Medical Assistance - HealthChoice Program - Pharmacy Benefits

This bill requires the Medicaid managed care program (HealthChoice) to have a uniform open drug formulary and standardized guidelines for use of the formulary by each Medicaid managed care organization (MCO). The program must require each MCO to use the uniform open drug formulary and standardized guidelines. The bill specifies the information and procedures that must be included in the standardized guidelines. The guidelines are to be developed by the Department of Health and Mental Hygiene (DHMH) in consultation with representatives from various interest groups.

Fiscal Summary

State Effect: None. The bill would not directly affect government finances.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Effect: According to the Department of Health and Mental Hygiene (DHMH), the Medicaid MCO capitation rate is currently based on Maryland's open formulary program, although MCOs are not required to use an open drug formulary. Any MCO that currently offers a limited formulary as a means of cost-saving would incur higher costs as a result of this bill, although this would not affect Medicaid payments to MCOs.

Information Source(s): Department of Health and Mental Hygiene (Medical Care Policy Administration), Department of Legislative Services

Fiscal Note History:

First Reader - March 14, 1999

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