
By: **Delegate Rosenberg**
Introduced and read first time: February 11, 2000
Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Pharmacy Assistance Program - Adjustment of Asset and Income**
3 **Levels and Copays**

4 FOR the purpose of increasing the allowable amounts of certain income and assets for
5 eligibility for the Maryland Pharmacy Assistance Program; increasing the
6 amount of a certain copay for prescriptions under the program; requiring the
7 Secretary of the Department of Health and Mental Hygiene to work with other
8 appropriate agencies in developing a certain program; and generally relating to
9 the Maryland Pharmacy Assistance Program.

10 BY repealing and reenacting, with amendments,
11 Article - Health - General
12 Section 15-124
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1999 Supplement)

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

17 **Article - Health - General**

18 15-124.

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

21 (i) Assets are not more than [1.5] 4.0 times the amount of
22 accountable resources according to the asset schedule of the Maryland Medical
23 Assistance Program; and

24 (ii) Gross annual income does not exceed:

25 1. [\$4,600] \$12,200 plus \$500 for each individual over 1 in a
26 family unit; and

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

3 (2) (i) 1. In this paragraph the following words have the meanings
 4 indicated.

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

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

11 (ii) For the purpose of paragraph (1) of this subsection, the
 12 Secretary shall:

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

16 2. Define excluded assets;

17 3. Establish a family unit structure; and

18 4. Beginning July 1, [1985] 2001, increase annually at the
 19 time Social Security benefits are increased, rounded to the next highest even \$50
 20 level, the income level within which an individual is eligible for benefits under the
 21 Maryland Pharmacy Assistance Program by the larger of:

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

26 B. The dollar amount by which the medical assistance income
 27 schedules are increased by the State.

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

32 (ii) 1. For any drug on the Program's interchangeable drug list,
 33 the Program shall reimburse providers in an amount not more than it would
 34 reimburse for the drug's generic equivalent, unless the individual's physician states,
 35 in his or her own handwriting, on the face of the prescription, that a specific brand is
 36 "medically necessary" for the particular patient.

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

4 (2) The reimbursement shall be up to the amount paid for the same
5 items or services under the pharmacy program of the Maryland Medical Assistance
6 Program and shall be subject to a copayment of not more than [\$5.00] \$6.00 for each
7 covered item or service.

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

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

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

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

18 (iii) Selection of new prescription claims processors.

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

23 (4) Notwithstanding any other provision of law, the notice requirements
24 of this subsection do not apply to the addition of new generic drugs authorized under
25 § 12-504 of the Health Occupations Article.

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

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

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

36 (E) THE SECRETARY SHALL DEVELOP A PROGRAM, IN CONSULTATION WITH
37 OTHER APPROPRIATE AGENCIES, THAT WILL ENCOURAGE APPLICANTS TO THE

1 MARYLAND PHARMACY ASSISTANCE PROGRAM TO SEEK PRESCRIPTION COVERAGE
2 THROUGH FREE PROGRAMS OFFERED BY DRUG MANUFACTURERS.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2000.