
By: **Delegates Eckardt, Cane, Walkup, Schisler, Guns, Conway, Mitchell,
Rudolph, W. Baker, McClenahan, Donoghue, Wood, Owings, Shank,
McKee, Bohanan, O'Donnell, and Edwards**

Introduced and read first time: February 21, 2000

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Senior Prescription Drug Payment Assistance Program**

3 FOR the purpose of establishing the Maryland Senior Prescription Drug Payment
4 Assistance Program to provide payment assistance for prescription drugs to
5 certain senior citizens; establishing certain eligibility requirements for payment
6 assistance under the Program; limiting reimbursement to certain drugs in a
7 certain amount and not exceeding a certain amount per eligible individual in a
8 certain period of time; establishing a certain copayment; requiring the
9 Department of Health and Mental Hygiene to administer the Program in a
10 certain manner; requiring the Secretary of Health and Mental Hygiene to adopt
11 certain regulations; requiring the Governor to appropriate a certain amount of
12 money in the State budget for certain fiscal years from a certain source to
13 provide funding for the Program; providing for the termination of the Program
14 under certain circumstances; providing for the termination of this Act; and
15 generally relating to the Maryland Senior Prescription Drug Payment
16 Assistance Program.

17 BY repealing and reenacting, without amendments,
18 Article - Health - General
19 Section 15-124
20 Annotated Code of Maryland
21 (1994 Replacement Volume and 1999 Supplement)

22 BY adding to
23 Article - Health - General
24 Section 15-124.1
25 Annotated Code of Maryland
26 (1994 Replacement Volume and 1999 Supplement)

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

1 **Article - Health - General**

2 15-124.

3 (a) (1) The Department shall maintain a Maryland Pharmacy Assistance
4 Program for low income individuals whose:5 (i) Assets are not more than 1.5 times the amount of accountable
6 resources according to the asset schedule of the Maryland Medical Assistance
7 Program; and

8 (ii) Gross annual income does not exceed:

9 1. \$4,600 plus \$500 for each individual over 1 in a family
10 unit; and11 2. An annual increase set by the Secretary under paragraph
12 (2)(ii)4 of this subsection.13 (2) (i) 1. In this paragraph the following words have the meanings
14 indicated.15 2. "Income disregard" means the exclusion of up to \$1,000 of
16 annual income earned by an individual as a client of a sheltered workshop if the
17 individual's sole other income is derived from a Social Security payment.18 3. "Sheltered workshop" means a workshop licensed by the
19 Developmental Disabilities Administration under Title 7, Subtitle 9 of the Health -
20 General Article.21 (ii) For the purpose of paragraph (1) of this subsection, the
22 Secretary shall:23 1. In order to determine eligibility for the Maryland
24 Pharmacy Assistance Program, deduct any income disregards from the countable
25 gross income of a unit that contains a disabled individual;

26 2. Define excluded assets;

27 3. Establish a family unit structure; and

28 4. Beginning July 1, 1985, increase annually at the time
29 Social Security benefits are increased, rounded to the next highest even \$50 level, the
30 income level within which an individual is eligible for benefits under the Maryland
31 Pharmacy Assistance Program by the larger of:32 A. The percentage by which benefits under Title II of the
33 Social Security Act (42 U.S.C. 401-433) are increased by the federal government due
34 to cost-of-living changes as that percentage is reported in the Federal Register
35 pursuant to 42 U.S.C. 415(I)(2)(D) but not to exceed 8 percent; or

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

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

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

11 15-124.1.

12 (A) THE DEPARTMENT SHALL ESTABLISH A MARYLAND SENIOR
13 PRESCRIPTION DRUG PAYMENT ASSISTANCE PROGRAM TO PROVIDE PAYMENT
14 ASSISTANCE FOR PRESCRIPTION DRUGS TO LOW INCOME SENIOR CITIZENS WHO ARE
15 INELIGIBLE FOR, OR DO NOT HAVE, PRESCRIPTION DRUG BENEFITS OR COVERAGE
16 THROUGH FEDERAL, STATE, OR PRIVATE SOURCES.

17 (B) TO BE ELIGIBLE FOR PAYMENT ASSISTANCE FOR PRESCRIPTION DRUGS
18 UNDER THE MARYLAND SENIOR PRESCRIPTION DRUG PAYMENT ASSISTANCE
19 PROGRAM, AN INDIVIDUAL SHALL:

20 (1) BE A U.S. CITIZEN OR A LAWFULLY ADMITTED ALIEN;

21 (2) HAVE INCOME THAT IS LESS THAN 200% OF THE FEDERAL POVERTY
22 LEVEL OR HAVE PRESCRIPTION DRUG EXPENSES THAT EXCEED 40% OF THE
23 INDIVIDUAL'S ANNUAL INCOME;

24 (3) BE A RESIDENT OF THE STATE;

25 (4) BE INELIGIBLE FOR MEDICAID PRESCRIPTION BENEFITS;

26 (5) BE INELIGIBLE FOR THE MARYLAND PHARMACY ASSISTANCE
27 PROGRAM UNDER § 15-124 OF THIS SUBTITLE;

28 (6) BE INELIGIBLE FOR OR NOT RECEIVING A PRESCRIPTION DRUG
29 BENEFIT THROUGH A MEDICARE SUPPLEMENTAL POLICY OR ANY OTHER THIRD
30 PARTY PAYER PRESCRIPTION BENEFIT; AND

31 (7) BE AN INDIVIDUAL AGE 65 OR OVER WHO IS OTHERWISE ELIGIBLE
32 FOR BENEFITS UNDER TITLE II OF THE SOCIAL SECURITY ACT.

33 (C) (1) REIMBURSEMENT UNDER THE MARYLAND SENIOR PRESCRIPTION
34 DRUG PAYMENT ASSISTANCE PROGRAM SHALL BE LIMITED TO MAINTENANCE
35 DRUGS AND ANTI-INFECTIVES AS SPECIFIED IN REGULATIONS TO BE ADOPTED BY
36 THE SECRETARY AFTER CONSULTATION WITH THE MARYLAND PHARMACISTS
37 ASSOCIATION.

1 (2) (I) SUBJECT TO SUBPARAGRAPHS (II) AND (III) OF THIS
2 PARAGRAPH, THE REIMBURSEMENT SHALL BE UP TO THE AMOUNT PAID FOR THE
3 SAME ITEMS OR SERVICES UNDER THE PHARMACY PROGRAM OF THE MARYLAND
4 MEDICAL ASSISTANCE PROGRAM.

5 (II) PAYMENT ASSISTANCE UNDER THE MARYLAND SENIOR
6 PRESCRIPTION DRUG PAYMENT ASSISTANCE PROGRAM MAY NOT EXCEED \$1,500 PER
7 STATE FISCAL YEAR FOR EACH ELIGIBLE INDIVIDUAL IN THE PROGRAM.

8 (III) REIMBURSEMENT IS SUBJECT TO A COPAYMENT OF NOT LESS
9 THAN \$5 AND NOT MORE THAN \$15 FOR EACH COVERED ITEM OR SERVICE AS
10 SPECIFIED IN REGULATIONS TO BE ADOPTED BY THE SECRETARY.

11 (D) (1) THE MARYLAND SENIOR PRESCRIPTION DRUG PAYMENT
12 ASSISTANCE PROGRAM SHALL BE ADMINISTERED BY THE DEPARTMENT IN A
13 MANNER SIMILAR TO THE ADMINISTRATION OF MARYLAND PHARMACY ASSISTANCE
14 PROGRAM.

15 (2) THE SECRETARY SHALL ADOPT REGULATIONS AS NECESSARY TO
16 IMPLEMENT THE MARYLAND SENIOR PRESCRIPTION DRUG PAYMENT ASSISTANCE
17 PROGRAM.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Governor shall
19 appropriate a sufficient amount of money in the fiscal 2001 and fiscal 2002 State
20 budgets from the Cigarette Restitution Fund to the Department of Health and Mental
21 Hygiene to provide funding for the Maryland Senior Prescription Drug Payment
22 Assistance Program.

23 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
24 Health and Mental Hygiene shall terminate the Maryland Senior Prescription Drug
25 Payment Assistance Program if prescription drugs are added to the scope of benefits
26 available under the federal Medicare Program or if Medicare health maintenance
27 organizations resume doing business in rural areas of the State.

28 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2000. It shall remain effective for a period of 2 years and, at the end of June
30 30, 2002, with no further action required by the General Assembly, this Act shall be
31 abrogated and of no further force and effect.