Unofficial Copy

2000 Regular Session 0lr2872

Du Delegates Februit Cone Wellium Schielen Come Common Mitchell

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
- certain regulations; requiring the Governor to appropriate a certain amount of
- money in the State budget for certain fiscal years from a certain source to
- provide funding for the Program; providing for the termination of the Program
- 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 The Department shall maintain a Maryland Pharmacy Assistance (a) (1) 4 Program for low income individuals whose: 5 Assets are not more than 1.5 times the amount of accountable (i) 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; and 11 2. An annual increase set by the Secretary under paragraph 12 (2)(ii)4 of this subsection. 13 (2) 1. In this paragraph the following words have the meanings (i) 14 indicated. "Income disregard" means the exclusion of up to \$1,000 of 15 2. 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 gross income of a unit that contains a disabled individual; 26 2. Define excluded assets; 27 3. Establish a family unit structure; and Beginning July 1, 1985, increase annually at the time 28 4. 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 The percentage by which benefits under Title II of the Α. 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

HOUSE BILL 1330

1 2	schedules are increased	l by the	B. State.	The dollar amount by which the medical assistance income
5	(b) (1) (i) Reimbursement under the Maryland Pharmacy Assistance Program shall be limited to maintenance drugs, anti-infectives, and AZT as specified in regulations to be issued by the Secretary after consultation with the Maryland Pharmacists Association.			
9 10	the Program shall reim reimburse for the drug'	s generions,	c equival on the fa	For any drug on the Program's interchangeable drug list, n an amount not more than it would ent, unless the individual's physician states, ace of the prescription, that a specific brand is r patient.
	2. If an appropriate generic drug is not generally available, 3 the Department may waive the reimbursement requirement under 4 sub-subparagraph 1 of this subparagraph.			
17	(2) The reimbursement shall be up to the amount paid for the same items or services under the pharmacy program of the Maryland Medical Assistance Program and shall be subject to a copayment of not more than \$5.00 for each covered item or service.			
21 22	(c) (1) Except as provided under paragraph (4) of this subsection and unless the change is made by an emergency regulation, the Maryland Pharmacy Assistance Program shall notify all pharmacies under contract with the Program in writing of changes in the Pharmaceutical Benefit Program rules or requirements at least 30 days before the change is effective.			
24 25	(2) Changes that require 30 days' advance written notice under paragraph (1) of this subsection are:			
26 27	contract;	(i)	Exclusion	on of coverage for classes of drugs as specified by
28	((ii)	Change	s in prior or preauthorization procedures; and
29	((iii)	Selectio	n of new prescription claims processors.
32	(3) If the Maryland Pharmacy Assistance Program fails to provide advance notice as required under paragraph (1) of this subsection, it shall honor and pay in full any claim under the Program rules or requirements that existed before the change for 30 days after the postmarked date of the notice.			
	(4) Notwithstanding any other provision of law, the notice requirements of this subsection do not apply to the addition of new generic drugs authorized under § 12-504 of the Health Occupations Article.			

- **HOUSE BILL 1330** 1 (d) The Secretary shall adopt rules and regulations that authorize the (1) 2 denial, restriction, or termination of eligibility for recipients who have abused 3 benefits under the Maryland Pharmacy Assistance Program. 4 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. The rules and regulations shall require that the recipient be given 8 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. TO BE ELIGIBLE FOR PAYMENT ASSISTANCE FOR PRESCRIPTION DRUGS 17 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 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; BE INELIGIBLE FOR THE MARYLAND PHARMACY ASSISTANCE 26 (5) 27 PROGRAM UNDER § 15-124 OF THIS SUBTITLE; 28 BE INELIGIBLE FOR OR NOT RECEIVING A PRESCRIPTION DRUG (6)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.

HOUSE BILL 1330

- 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.