

SENATE BILL 621

Unofficial Copy  
J1

2000 Regular Session  
0lr1327

---

By: **Senator Sfikas**

Introduced and read first time: February 4, 2000

Assigned to: Finance

---

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Pharmacy Assistance Program - Adjustments to Income and Asset**  
3 **Requirements - Request for a Study and Proposal**

4 FOR the purpose of altering the maximum asset and income levels allowed to qualify  
5 for eligibility under the Maryland Pharmacy Assistance Program; increasing the  
6 maximum copayment allowed under the Program; requiring the Secretary of  
7 Health and Mental Hygiene, together with the Maryland Health Care  
8 Commission and other appropriate State agencies, to study and propose a  
9 certain pharmacy assistance plan; requiring the Secretary to submit a certain  
10 report and proposal on or before a certain date; and generally relating to the  
11 Maryland Pharmacy Assistance Program.

12 BY repealing and reenacting, with amendments,  
13 Article - Health - General  
14 Section 15-124  
15 Annotated Code of Maryland  
16 (1994 Replacement Volume and 1999 Supplement)

17 Preamble

18 WHEREAS, Senior citizens are commonly afflicted with multiple chronic health  
19 conditions necessitating a high level of use of prescription medications; and

20 WHEREAS, Compliance with prescribed medicine regimens is a significant  
21 factor in the optimal management and control of chronic disease and in maintaining  
22 a healthy older citizenry; and

23 WHEREAS, The cost of prescription medicines is, for many low and moderate  
24 income seniors, an out-of-pocket expense not covered by Medicare or any other  
25 affordable health insurance program, and often one they are unable to meet given  
26 their fixed incomes and limited financial resources; and

27 WHEREAS, The State of Maryland wishes to assist seniors with limited  
28 financial resources so that they can be compliant with their prescribed medicine  
29 regimens and able to maintain their health and independence; and

1 WHEREAS, The State of Maryland wishes to create a means of providing  
 2 prescription medicines to seniors with limited financial resources so that they will  
 3 restore or maintain their health and well-being; now, therefore,

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

6 **Article - Health - General**

7 15-124.

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

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

13 (ii) Gross annual income does not exceed:

14 1. [\$4,600] \$12,200 plus \$500 for each individual over 1 in a  
 15 family unit; and

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

18 (2) (i) 1. In this paragraph the following words have the meanings  
 19 indicated.

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

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

26 (ii) For the purpose of paragraph (1) of this subsection, the  
 27 Secretary shall:

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

31 2. Define excluded assets;

32 3. Establish a family unit structure; and

33 4. Beginning July 1, [1985] 2001, increase annually at the  
 34 time Social Security benefits are increased, rounded to the next highest even \$50

1 level, the income level within which an individual is eligible for benefits under the  
2 Maryland Pharmacy Assistance Program by the larger of:

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

7                                   B.       The dollar amount by which the medical assistance income  
8 schedules are increased by the State.

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

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

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

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

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

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

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

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

35                               (iii)       Selection of new prescription claims processors.

36                               (3)       If the Maryland Pharmacy Assistance Program fails to provide  
37 advance notice as required under paragraph (1) of this subsection, it shall honor and

1 pay in full any claim under the Program rules or requirements that existed before the  
2 change for 30 days after the postmarked date of the notice.

3 (4) Notwithstanding any other provision of law, the notice requirements  
4 of this subsection do not apply to the addition of new generic drugs authorized under  
5 § 12-504 of the Health Occupations Article.

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

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

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

16 (E) (1) THE SECRETARY, IN COOPERATION WITH THE MARYLAND HEALTH  
17 CARE COMMISSION AND OTHER APPROPRIATE STATE AGENCIES, SHALL STUDY AND  
18 PROPOSE A BUY-IN PRESCRIPTION ASSISTANCE PROGRAM FOR THE ELDERLY WHO  
19 HAVE ASSETS AND INCOMES OVER THE ELIGIBILITY LEVELS ESTABLISHED UNDER  
20 SUBSECTION (A)(1) AND (2) OF THIS SECTION.

21 (2) THE SECRETARY SHALL GIVE PRIORITY TO ADOPTING A PROGRAM  
22 REQUIRED TO BE PROPOSED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

23 (3) ON OR BEFORE DECEMBER 31, 2000, THE SECRETARY SHALL ISSUE A  
24 FINAL REPORT ON THE PROPOSAL AND ON A COMPREHENSIVE STRATEGY FOR, AND  
25 ESTIMATE OF COSTS OF, THE PROPOSAL TO THE GOVERNOR AND, SUBJECT TO §  
26 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 July 1, 2000.