

SENATE BILL 621

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2000 Regular Session
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By: **Senator Sfikas**
Introduced and read first time: February 4, 2000
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 31, 2000

CHAPTER _____

1 AN ACT concerning

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

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 to develop a program to encourage certain
8 applicants to the Maryland Pharmacy Assistance Program to seek certain
9 prescription coverage; requiring the Secretary of ~~Health and Mental Hygiene,~~
10 together with the Maryland Health Care Commission and other appropriate
11 State agencies, to study and propose a certain pharmacy assistance plan;
12 requiring the Secretary to submit a certain report and proposal on or before a
13 certain date; and generally relating to the Maryland Pharmacy Assistance
14 Program.

15 BY repealing and reenacting, with amendments,
16 Article - Health - General
17 Section 15-124
18 Annotated Code of Maryland
19 (1994 Replacement Volume and 1999 Supplement)

20 Preamble

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

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

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

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

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

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

16 **Article - Health - General**

17 15-124.

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

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

23 (ii) Gross annual income does not exceed:

24 1. ~~{\$4,600}~~~~-\$12,200~~ plus \$500 for each individual over 1 in a
25 family unit; and

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

28 (2) (i) 1. In this paragraph the following words have the meanings
29 indicated.

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

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

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

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

6 2. Define excluded assets;

7 3. Establish a family unit structure; and

8 4. Beginning July 1, ~~{1985}~~2001, increase annually at the
9 time Social Security benefits are increased, rounded to the next highest even \$50
10 level, the income level within which an individual is eligible for benefits under the
11 Maryland Pharmacy Assistance Program by the larger of:

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

16 B. The dollar amount by which the medical assistance income
17 schedules are increased by the State.

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

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

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

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

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

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

3 (i) Exclusion of coverage for classes of drugs as specified by
4 contract;

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

6 (iii) Selection of new prescription claims processors.

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

11 (4) Notwithstanding any other provision of law, the notice requirements
12 of this subsection do not apply to the addition of new generic drugs authorized under
13 § 12-504 of the Health Occupations Article.

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

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

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

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

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

31 ~~(3) ON OR BEFORE DECEMBER 31, 2000, THE SECRETARY SHALL ISSUE A
32 FINAL REPORT ON THE PROPOSAL AND ON A COMPREHENSIVE STRATEGY FOR, AND
33 ESTIMATE OF COSTS OF, THE PROPOSAL TO THE GOVERNOR AND, SUBJECT TO §
34 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.~~

35 (E) THE SECRETARY SHALL DEVELOP A PROGRAM, IN CONSULTATION WITH
36 APPROPRIATE STATE AGENCIES, THAT WILL ENCOURAGE APPLICANTS TO THE
37 MARYLAND PHARMACY ASSISTANCE PROGRAM TO SEEK PRESCRIPTION COVERAGE
38 THROUGH:

1 (1) FREE PROGRAMS OFFERED BY DRUG MANUFACTURERS; AND

2 (2) IF APPLICABLE, THE AIDS ADMINISTRATION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That:

4 (1) The Secretary of Health and Mental Hygiene, in cooperation with the
5 Maryland Health Care Commission and other appropriate State agencies, shall study
6 and propose a buy-in prescription assistance program for the elderly who have assets
7 and incomes over the eligibility levels established under the Maryland Pharmacy
8 Assistance Program.

9 (2) On or before December 1, 2000, the Secretary of Health and Mental
10 Hygiene shall issue a final report on the proposal required under paragraph (1) of this
11 section, including a comprehensive strategy for, and a cost estimate of, the proposal,
12 to the Governor and, subject to § 2-1246 of the State Government Article, to the
13 General Assembly.

14 ~~SECTION 3.~~ SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect July 1, 2000.