

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 621 (Senator Sfikas)

Finance

Maryland Pharmacy Assistance Program - Coverage Programs

This bill requires the Secretary of the Department of Health and Mental Hygiene (DHMH), in consultation with appropriate State agencies and two senior citizens appointed by the Governor, to develop a program that encourages Maryland Pharmacy Assistance Program (MPAP) applicants to seek prescription coverage through free programs offered by drug manufacturers and, if applicable, through the AIDS Administration.

In addition, the bill requires DHMH, the Maryland Health Care Commission, and other appropriate State agencies to study and report on the possibility of a buy-in prescription assistance program for the elderly who have assets and incomes over MPAP's eligibility levels. DHMH must issue a final report on the proposal, including a comprehensive strategy and cost estimates, to the Governor and the General Assembly by December 1, 2000.

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Administrative costs associated with developing a program that encourages MPAP applicants to seek prescription coverage elsewhere and conducting a study on a buy-in prescription assistance program could be handled with DHMH's existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Low-income individuals whose incomes are too high to qualify for Medicaid are allowed to participate in the MPAP under certain circumstances. An individual's yearly income must be \$4,600 or less, and the individual's assets cannot be greater than 1.5 times the allowable assets under Medicaid. The MPAP only covers certain drugs, including maintenance drugs, anti-infectives, and AZT. An enrollee must pay a \$5 copayment for each prescription.

Background: The AARP Public Policy Institute issued a report on state pharmacy assistance programs in April 1999. The report identified pharmacy assistance programs in 14 states. Most of the programs were targeted toward persons age 65 and over, with some states extending eligibility to disabled persons. Maryland and Wyoming were the only states without an age or disability eligibility requirement. Coverage varied from state to state, and all states required some cost-sharing. Maryland's financial eligibility criteria were among the most stringent of the 14 states. Maryland's 1997 income and asset limits reported in the study were \$9,250 in income and \$3,750 for a single individual and \$10,050 in income and \$4,500 for a household of two or more persons. Most states fund their programs through general revenues, though a small number of states use other mechanisms, such as casino revenue in New Jersey.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Medicaid), Maryland Insurance Administration, Department of Legislative Services

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