

BY: Finance Committee

AMENDMENTS TO HOUSE BILL NO. 6  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “Senior Prescription Drug Relief Act” and substitute “Prescription Drugs Access Enhancement Act of 2001”; strike beginning with “establishing” in line 4 down through “regulations” in line 12 and substitute “requiring the Maryland Health Care Foundation to facilitate certain access to prescription drugs to certain persons in a certain manner; requiring the Foundation to ensure that the access provided under this Act is available in specified regions of the State; authorizing the Foundation to establish regional offices in certain locations; requiring the Foundation to use specified offices as regional offices for certain regions; authorizing the Foundation to establish a central office in a certain region; requiring the Governor to provide certain funding to the Foundation for certain purposes; requiring that the funding required under this Act be appropriated directly to the Foundation; requiring the Foundation to use the funding required under this Act for certain purposes; requiring the Foundation to study and examine certain issues and to provide certain reports by a certain date in a certain manner; establishing the Maryland Pharmacy Discount Program; requiring the Secretary of Health and Mental Hygiene to administer the Maryland Pharmacy Discount Program in a certain manner; providing for the purpose, eligibility, benefits, and mechanics of the Maryland Pharmacy Discount Program; authorizing the Department of Health and Mental Hygiene to recover certain costs; altering the eligibility requirements for the Maryland Pharmacy Assistance Program; expanding the scope of the Short-Term Prescription Drug Subsidy Plan; altering the contract term, reducing the premium, and increasing the maximum total annual benefit under the Plan; providing for a certain resetting of certain accumulated annual benefit amounts; altering the requirements and responsibilities of the carrier that serves the Plan”; in line 12, strike “apply” and substitute “submit an application”; in the same line, after “for” insert “certain amendments to”; and in the same line, after the second “certain” insert “Medicaid”.

On pages 1 and 2, strike beginning with “expansion” in line 13 on page 1 down through “date” in line 33 on page 2 and substitute “for certain purposes; conditioning the implementation of”

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certain provisions of this Act on the approval of a certain Medicaid waiver and on certain provisions of law and certain authorization by Act of the General Assembly; requiring the Department to conduct certain studies and to provide certain reports by certain dates in a certain manner; expressing the intent of the General Assembly that pharmacies participating in the Maryland Pharmacy Assistance Program be compensated for certain reductions in reimbursement; requiring the Department to develop a certain mechanism to allow the recovery of certain reductions in reimbursement by certain pharmacies under certain circumstances; requiring the Comptroller of the Treasury to conduct a certain study, in consultation with the Department, and to provide a certain report by a certain date in a certain manner; requiring the Secretary to adopt certain regulations for certain purposes by a certain date; requiring the Secretary and a certain carrier to modify a certain contract; requiring the Secretary to suspend the implementation or application of certain provisions of law under certain circumstances; requiring the Department of Aging to serve as a central point of referral for the general public for certain matters under certain circumstances; requiring the Department of Aging to provide a certain report by a certain date in a certain manner; providing for the funding of certain provisions of this Act under certain circumstances; providing for the contingent effect of certain provisions of this Act”.

On page 2, in line 33, strike “portions” and substitute “provisions”; in the same line, after “Act” insert “under certain circumstances”; strike beginning with “making” in line 34 down through “Act” in line 35 and substitute “providing for the delayed effect of certain provisions of this Act; providing for the delayed implementation of certain provisions of this Act; altering certain definitions; repealing certain definitions”; in line 35, after “to” insert “the enhancement of access to”; in lines 35 and 36, strike “drug coverage” and substitute “drugs in Maryland”; strike in its entirety line 39 and substitute “Section 15-103(d) and 15-124.1”; in line 44, strike “15-124(e),” and substitute “15-124(a) and”; in the same line, strike “15-604” and substitute “15-603”; and in the same line, strike “1 and 20-506”.

AMENDMENT NO. 2

On page 3, strike in their entirety lines 2 through 9, inclusive, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That:

(a) The Maryland Health Care Foundation shall, in a manner consistent with this section,

facilitate access to free or subsidized prescription drugs for residents of the State who are eligible for assistance in obtaining prescription drugs;

(b) The Foundation shall ensure that the access provided under subsection (a) of this section is available to residents in:

(1) Western Maryland;

(2) the Eastern Shore;

(3) the Baltimore Metropolitan area;

(4) the Maryland counties in the Washington Suburban Metropolitan area; and

(5) Southern Maryland;

(c) Subject to subsection (d) of this section, the Foundation may establish a regional office in each of the regions identified in subsection (b) of this section;

(d) The Foundation shall use the Medbank of Maryland, Inc. and the Western Maryland Prescription Program as the regional offices for the Baltimore Metropolitan area and Western Maryland, respectively;

(e) The Foundation may establish a central office in any one of the regions identified in subsection (b) of this section;

(f) The Governor shall provide funding in the annual budget in an amount sufficient to enable the Foundation to satisfy the requirements of this section;

(g) The funding provided under subsection (f) of this section shall be appropriated directly to the Foundation; and

(h) The Foundation shall use the funding provided under subsection (f) of this section to

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satisfy the requirements of this section, including the establishment and maintenance of administrative infrastructure and the provision of short-term medication while applications for assistance are pending.”;

in line 10, strike “1.” and substitute “2.”; strike in their entirety lines 18 through 23, inclusive; in line 27, after the second “THE” insert “MARYLAND PHARMACY DISCOUNT”; in line 28, strike “LOW INCOME” and substitute “UNINSURED”; in line 31, after the first “THE” insert “MARYLAND PHARMACY DISCOUNT”; in line 33, after “THE” insert “MARYLAND PHARMACY DISCOUNT”; and in line 34, after “ENROLLEES” insert “WHO ARE”.

AMENDMENT NO. 3

On page 4, in line 1, strike “WITH” and substitute “WHO”:

(I) HAVE “;

in line 2, strike “WITHOUT” and substitute “; AND”

(II) DO NOT HAVE”;

in line 4, strike “SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,”; in line 5, after “THE” insert “MARYLAND PHARMACY DISCOUNT”; in lines 6 and 7, strike “, COVERED UNDER MARYLAND MEDICAL ASSISTANCE PROGRAM,”; in line 8, strike “EQUIVALENT TO” and substitute “BASED ON”; in lines 9 and 10, strike “THE AGGREGATE VALUE OF” and substitute “AMOUNTS ATTRIBUTABLE TO”; strike beginning with “TO” in line 11 down through “(F)” in line 16; in lines 17 and 18, strike “MECHANISMS TO”:

(1)” and substitute “A MECHANISM TO”;

in line 18, after the second “THE” insert “MARYLAND PHARMACY DISCOUNT”; strike beginning with “; AND” in line 18 down through “PROGRAM” in line 21; in line 22, strike “(G)” and substitute “(F)”; strike beginning with “IS” in line 23 down through “TO” in line 24 and substitute “MEETS THE OTHER ELIGIBILITY CRITERIA ESTABLISHED UNDER THIS SECTION AND ANY REGULATIONS ADOPTED IN ACCORDANCE WITH THIS SECTION MAY”; strike beginning with “PROVIDED” in line 25 down through “(2)” in line 30 and substitute “IF THE INDIVIDUAL IS OR HAS BEEN”:

(1) ENROLLED IN”;

in line 31, after “SUBTITLE” insert “; OR

(2) A BENEFICIARY OF A FREE OR SUBSIDIZED PRESCRIPTION DRUG PROGRAM FACILITATED THROUGH THE MARYLAND HEALTH CARE FOUNDATION.

(G) TO THE EXTENT THAT AN INSTITUTIONAL PHARMACY SERVES PATIENTS IN HOSPITALS AND RESIDENTS IN NURSING HOMES, THE INSTITUTIONAL PHARMACY MAY NOT BE REQUIRED TO PARTICIPATE IN THE MARYLAND PHARMACY DISCOUNT PROGRAM”;

in line 32, after the second “THE” insert “MARYLAND PHARMACY DISCOUNT”; and in line 34, strike “2.” and substitute “3.”.

AMENDMENT NO. 4

On page 5, strike in their entirety lines 2 through 30, inclusive, and substitute:

“15-124.

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

(i) Assets are not more than [1.5] 3 times the amount of accountable resources according to the asset schedule of the Maryland Medical Assistance Program; and

(ii) Gross annual income does not exceed]:

1. \$4,600 plus \$500 for each individual over 1 in a family unit;

and

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2. An annual increase set by the Secretary under paragraph (2)(ii)4 of this subsection] 120 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

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

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

3. “Sheltered workshop” means a workshop licensed by the Developmental Disabilities Administration under Title 7, Subtitle 9 of this article.

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

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

2. Define excluded assets; AND

3. Establish a family unit structure[; and

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

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

B. The dollar amount by which the medical assistance income schedules are increased by the State].”;

and in line 31, strike “3.” and substitute “4.”.

AMENDMENT NO. 5

On pages 5 through 7, strike in their entirety the lines beginning with line 34 on page 5 through line 5 on page 7, inclusive.

AMENDMENT NO. 6

On page 7, in lines 18 and 19, in each instance, strike the bracket; in line 19, strike “COVERAGE”; in line 21, after “(4)” insert a closing bracket; in line 23, strike “(5)]” and substitute “[(5)] (4)”; in line 25, strike the brackets; and strike in their entirety lines 26 and 27.

On page 8, in line 28, strike “2 years” and substitute “1 YEAR”.

On page 9, in lines 2, 5, and 17, in each instance, strike “2-year” and substitute “1-YEAR”; in line 8, strike the second opening bracket; strike beginning with “] SUBMIT” in line 9 down through “TO” in line 10; in line 18, strike the first set of brackets; in the same line, strike “50,000”; and in line 20, strike “\$10” and substitute “\$20”.

On page 10, in line 7, after “(3)” insert a closing bracket; in line 9, after “individuals” insert an opening bracket; in line 10, after “Plan,” insert a closing bracket; in the same line, after the second “Plan” insert an opening bracket; in line 11, after “granted” insert a closing bracket; and in the same line, strike the closing bracket and substitute:

“(D) THE CARRIER,”;

in the same line, strike the second comma and substitute “AND”; in the same line, after “BEGINNING” insert “ON”; in line 12, strike “THE CARRIER” and substitute “FOR EACH ENROLLEE,”; strike beginning with “ALL” in line 12 down through “2001” in line 13; and in line

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15, after “LIMIT” insert “, ALL BENEFIT AMOUNTS REALIZED UNDER THE PLAN THROUGH JUNE 30, 2001”.

AMENDMENT NO. 7

On pages 10 through 14, strike in their entirety the lines beginning with line 16 on page 10 through line 32 on page 14, inclusive.

On page 14, in line 34, after “Hygiene” insert “:

(a) (1)”;

in the same line, after “submit” insert “an application”; in line 35, strike “an application”; in the same line, strike “1115” and substitute “§ 1115”; and strike beginning with “. The” in line 37 down through “funds.” in line 40 and substitute “as enacted by Section 2 of this Act; and

(2) may comply with the requirements of paragraph (1) of this subsection by simultaneously applying for two separate amendments, as follows:

(i) one amendment establishing eligibility for the Medicare enrollees who are without other public or private prescription drug coverage; and

(ii) one amendment establishing eligibility for other individuals who have an annual household income at or below 300 percent of the federal poverty guidelines and do not have other public or private prescription drug coverage;

(b) shall include in its application or applications required under subsection (a) of this section provisions for the establishment of a pharmaceutical care management program, for individuals who will participate in the Maryland Pharmacy Discount Program, the objectives of which shall be to:

(1) improve the overall health condition of covered individuals;



(2) ensure that covered individuals are receiving necessary prescription medications, are not receiving multiple medications which are not adding to the overall improvement of the health conditions of the individuals, and are not taking multiple medications which by their interaction may cause harm; and

(3) ensure coordination between a covered individual's primary care provider, pharmacist, and other health care professionals in the delivery of pharmaceutical care;

(c) shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on the status of the application or applications required under subsection (a) of this section as soon as the Department receives final approval or denial, but not later than December 1, 2001; and

(d) if the Department receives approval for an application or applications required under subsection (a) of this section, may not implement the Maryland Pharmacy Discount Program established under Section 2 of this Act without authorization of the General Assembly, as expressed through an Act of the General Assembly."

AMENDMENT NO. 8

On page 15, in line 1, after "That" insert "the Department of Health and Mental Hygiene shall".

On pages 15 and 16, strike in their entirety the lines beginning with line 2 on page 15 through line 15 on page 16, inclusive, and substitute:

"(a) study the feasibility of implementing a mechanism for providing discounts for prescription drugs under the Maryland Pharmacy Discount Program established under Section 2 of this Act that are larger than the discount provided under the Maryland Medical Assistance Program for individuals who are eligible for the Maryland Pharmacy Discount Program and whose annual household incomes are less than 300 percent of the federal poverty guidelines, such that the larger discounts are inversely related to the eligible individual's annual household income; and

(b) on or before December 1, 2001, report to the Governor and, in accordance with

§ 2-1246 of the State Government Article, to the General Assembly on any findings and recommendations that result from the study required under subsection (a) of this section, including:

- (1) the expected impact of implementing such a mechanism on participation in the Maryland Pharmacy Discount Program;
- (2) whether federal funds could be used to finance such a mechanism;
- (3) a recommendation on the appropriate financing of such a mechanism; and
- (4) a cost-benefit analysis of any recommendations.

SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) it is the intent of the General Assembly that a pharmacy that participates in the Maryland Pharmacy Discount Program established under § 15-124.1 of the Health - General Article shall be compensated for reductions in reimbursement that result from its participation in the Maryland Pharmacy Discount Program; and

(b) the Department of Health and Mental Hygiene shall:

(1) develop a mechanism for a pharmacy that participates in the Maryland Pharmacy Discount Program established under § 15-124.1 of the Health - General Article to recover reductions in reimbursement that result from participation in the Maryland Pharmacy Discount Program; and

(2) ensure the maximum use of federal funds that are available to accomplish the recovery of reductions in reimbursement required under paragraph (1) of this subsection.

SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) the State Comptroller of the Treasury, in consultation with the Department of Health and Mental Hygiene, shall study the feasibility of providing a tax credit for catastrophic out-of-pocket prescription drug expenses;

(b) the study shall include a consideration of:

(1) eligibility thresholds, including income and other status factors, for qualification for a tax credit;

(2) the nature and scope of out-of-pocket expenses that would be considered in calculating a tax credit;

(3) the fiscal impact and cost-benefit analysis of a variety of sizes of tax credits;  
and

(4) whether a tax credit should be refundable; and

(c) (1) the Comptroller shall report on or before December 1, 2001 to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on any findings and recommendations; and

(2) if a recommendation for a tax credit is made, the Comptroller shall make a recommendation on the appropriate size, nature, and scope of the tax credit.

SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) the Maryland Health Care Foundation shall examine methods to facilitate the purchase of prescription drugs through federally qualified health centers in Maryland to maximize the number of people who can benefit from the purchasing power of the federally qualified health centers, especially under available federal prescription drug pricing programs; and

(b) the Foundation shall, on or before December 1, 2001, report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on:

(1) the number and demographic characteristics, including area of residence, economic status, and insured status, of the individuals who would be eligible to utilize available

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prescription drug pricing programs through the federally qualified health centers in the State;

(2) the types of prescription drugs that are or could be available through available prescription drug pricing programs through the federally qualified health centers in the State;

(3) recommendations regarding:

(i) whether to pursue a method to maximize the potential of available prescription drug pricing programs through the federally qualified health centers in the State; and

(ii) if the recommendation under subparagraph (i) of this paragraph is affirmative:

1. the most appropriate method or methods to maximize the potential of available prescription drug pricing programs through the federally qualified health centers in the State;

2. the best option or options for financing any method or methods recommended under item 1 of this subparagraph; and

3. the nature and extent of outreach that should be performed to best inform eligible individuals of the ability to obtain prescription drugs through the federally qualified health centers in the State; and

(4) the cost-benefit analysis of any recommendations under paragraph (3)(ii) of this section.”.

#### AMENDMENT NO. 9

On page 16, in line 16, strike “8.” and substitute “10.”; in line 19, strike “the Maryland Medbank Program created under Section 3” and substitute “its progress in fulfilling the obligations imposed under Section 1”; in line 22, strike “by the program” and substitute “by the Foundation under this Act”; in lines 23 and 24, strike “through the program” and substitute “under this Act”; in line 26, strike “program” and substitute “Foundation”; in lines 27, 30, and 36, strike “9.”, “10.”, and “11.”, respectively, and substitute “11.”, “12.”, and “13.”, respectively; in line 29, after “implement”

insert “, effective July 1, 2001.”; and in the lines 29 and 35, in each instance, strike “3” and substitute “4”.

AMENDMENT NO. 10

On page 17, in lines 1, 4, 5, and 9, in each instance, strike “3” and substitute “4”; after line 4, insert:

“SECTION 14. AND BE IT FURTHER ENACTED, That the Department of Aging shall:

(a) develop a mechanism for serving the general public as a central point of referral to the various forms of available assistance related to accessing prescription drugs in the State;

(b) in fulfilling its obligations under subsection (a) of this section, coordinate with all relevant public and private entities to maintain current and accurate information regarding eligibility, benefits, and requirements of all available programs and financial assistance that facilitate access to prescription drugs in the State; and

(c) on or before December 1, 2001 and annually thereafter, report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on the Department’s progress in complying with the requirements of this section.

SECTION 15. AND BE IT FURTHER ENACTED, That the Secretary of Health and Mental Hygiene shall adopt regulations not later than June 30, 2001 to implement, effective July 1, 2001, the provisions of Section 3 of this Act.

SECTION 16. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall study programs in other states that are similar to the Maryland Pharmacy Discount Program established under Section 2 of this Act to determine anticipated enrollment, cost, and utilization, and report, on or before December 1, 2001, to the Governor, and in accordance with § 2-1246 of the State Government Article, to the General Assembly on its findings.

SECTION 17. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Department of Health and Mental Hygiene utilize not less than \$12 million in additional funding to expand the Maryland Pharmacy Assistance Program. The Department of Health

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and Mental Hygiene shall report, on or before January 15, 2002, to the Governor, and in accordance with § 2-1246 of the State Government Article, to the General Assembly on:

(1) the increased costs resulting from the expansion required under Section 3 of this Act; and

(2) any recommendations for further expansion of the Maryland Pharmacy Assistance Program.”;  
in line 5, strike “12.” and substitute “18.”; in line 6, strike “2003” and substitute “2002”; and in lines 7 and 10, in each instance, strike “drug” and substitute “pharmacy”.

AMENDMENT NO. 11

On pages 17 and 18, strike in their entirety the lines beginning with line 15 on page 17 through line 11 on page 18 and substitute:

“SECTION 19. AND BE IT FURTHER ENACTED, That for fiscal year 2002, the State Comptroller of the Treasury shall distribute to the Maryland Health Care Foundation the revenue collected as a result of the taking effect of Chapter \_\_\_\_\_ (H.B. 828) of the Acts of the General Assembly of 2001 in a manner to ensure that:

(a) (1) not less than 50,000 individuals will be served under Section 1 of this Act; but  
(2) notwithstanding the goal specified in paragraph (1) of this subsection, the total distributed does not exceed \$8 million; and

(b) the revenues collected are distributed to the Foundation until the level of funding required under subsection (a) of this section is achieved before distributions for any other purpose may be made.

SECTION 20. AND BE IT FURTHER ENACTED, That Sections 1, 3, 10, and 19 of this Act shall take effect July 1, 2001, contingent on the taking effect of Chapter \_\_\_\_\_ (H.B. 828) of the Acts of the General Assembly of 2001, and if Chapter \_\_\_\_\_ does not become effective, Sections 1, 3, 10, and 19 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 21. AND BE IT FURTHER ENACTED, That Section 15 of this Act shall take effect June 1, 2001, contingent on the enactment of Chapter \_\_\_\_\_ (H.B. 828) of the Acts of the General Assembly of 2001, and, if Chapter \_\_\_\_\_ is not enacted, Section 15 of this Act shall be null and void without the necessity of further action by the General Assembly.”.

AMENDMENT NO. 12

On page 18, in line 12, strike “16.” and substitute “22.”; in the same line, strike “Sections 9, 10, and 15” and substitute “Section 13”; in line 13, strike “June” and substitute “July”; in line 14, strike “17.” and substitute “23.”; in line 15, strike “13, 14, 16” and substitute “18, 20, 21, and 22”; and in the same line, strike “July” and substitute “June”.