

HOUSE BILL 6

Unofficial Copy
C3

2001 Regular Session
(11r1290)

ENROLLED BILL

-- Economic Matters and Environmental Matters/Finance and Budget and Taxation --

Introduced by **Delegates Taylor, Busch, Dewberry, Hurson, Arnick, Doory, Guns, Harrison, Hixson, Howard, Kopp, Menes, Montague, Owings, Rawlings, Rosenberg, Vallario, and Wood Wood, W. Baker, Barkley, Barve, Bobo, Boutin, Bozman, Bronrott, Brown, Burns, Cadden, Cane, Carlson, Clagett, Cole, Conroy, Conway, D'Amato, D. Davis, DeCarlo, Dembrow, Donoghue, Dypski, Eckardt, Elliott, Finifter, Frush, Fulton, Giannetti, Gladden, Goldwater, Gordon, Griffith, Grosfeld, Hammen, Healey, Hecht, Heller, Hill, Hubbard, Hubers, James, A. Jones, V. Jones, Kach, J. Kelly, Kirk, Klausmeier, Krysiak, La Vay, Love, Mandel, McClenahan, McHale, McIntosh, Minnick, Mitchell, Moe, Mohorovic, Morhaim, Nathan-Pulliam, Oaks, Patterson, Pendergrass, Petzold, Pitkin, Redmer, Riley, Rosso, Rudolph, Schisler, Sher, Shriver, Stern, Stull, Swain, Turner, Weir, and Zirkin**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 ~~Coverage of Insurance Caps in Pharmaceutical Benefits for Seniors~~

3 ~~Senior Prescription Drug Relief Act~~

4 ~~Senior Prescription Drug Relief Act~~

5 FOR the purpose of establishing certain prescription drug benefit programs;

1 establishing eligibility criteria for certain prescription drug benefit programs;
2 requiring the Department of Health and Mental Hygiene to administer and
3 operate a certain program as permitted by federal law or waiver; providing for
4 an exception to a certain eligibility limitation; authorizing the Department to
5 establish a certain enrollment fee to cover certain costs ~~certain mechanisms to~~
6 ~~recover certain administrative costs and to reimburse certain participating~~
7 ~~pharmacies; requiring the Secretary of Health and Mental Hygiene to adopt~~
8 ~~certain regulations; requiring the Department to apply for a certain waiver~~
9 ~~expansion to implement a certain program; requiring the Maryland Health Care~~
10 ~~Foundation to operate and administer a certain program; authorizing the~~
11 ~~Foundation to contract with certain nonprofit organizations to operate and~~
12 ~~administer a certain program; requiring the Foundation to contract with certain~~
13 ~~entities to administer a certain program; requiring the Foundation to give~~
14 ~~priority to certain entities when contracting for the administration of a certain~~
15 ~~program; specifying the funding source of a certain program; requiring certain~~
16 ~~funds to be spent on a certain activity; requiring the Foundation to make a~~
17 ~~certain program available in each geographic region of the State; altering the~~
18 ~~eligibility requirements for the short term prescription drug subsidy plan;~~
19 ~~altering certain definitions; repealing certain definitions; altering the conditions~~
20 ~~for a carrier to provide the subsidy plan; extending the duration of the~~
21 ~~short term drug subsidy plan; lowering the monthly premium under the plan;~~
22 ~~increasing the benefit limit under the plan; expanding the total number of~~
23 ~~enrollees allowed under the plan; requiring a certain carrier to alter the~~
24 ~~calculation of certain benefits beginning on a certain date; requiring a certain~~
25 ~~carrier to submit a certain quarterly financial accounting to certain agencies;~~
26 ~~specifying the contents of a certain fund; requiring the Department of Health~~
27 ~~and Mental Hygiene to develop and implement a certain outreach program;~~
28 ~~requiring the Department of Aging to perform certain outreach functions;~~
29 ~~making certain technical corrections; altering a certain contribution~~
30 ~~requirement; requiring the Health Services Cost Review Commission to transfer~~
31 ~~all funds assessed and collected under a certain plan to a certain fund; providing~~
32 ~~that a certain carrier shall only enroll certain individuals in a certain plan for a~~
33 ~~certain period of time; requiring the State Comptroller of the Treasury to study~~
34 ~~the feasibility of a certain tax credit in consultation with the Department of~~
35 ~~Health and Mental Hygiene; requiring certain reports to be submitted to the~~
36 ~~Governor and the General Assembly; requiring the Department of Health and~~
37 ~~Mental Hygiene to study the feasibility of purchasing prescription drugs in a~~
38 ~~certain manner; requiring the Foundation to report certain information~~
39 ~~annually on or before a certain date; requiring the Department and a certain~~
40 ~~carrier to extend a certain contract on or before a certain date; providing that~~
41 ~~the Secretary of Health and Mental Hygiene may suspend the implementation~~
42 ~~or operation of a certain plan upon certain notice by the federal government;~~
43 ~~requiring a certain carrier to send a certain notice to certain individuals by a~~
44 ~~certain date; providing for the termination of certain portions of this Act;~~
45 ~~making certain provisions of this Act subject to certain contingencies; providing~~
46 ~~for the effective dates of this Act; and generally relating to prescription drug~~
47 coverage.

48 BY adding to

1 ~~Article Health General~~
 2 ~~Section 15-103(d), 15-124.1, and 15-124.2 15-124.2, and 15-606~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2000 Replacement Volume)~~

5 ~~BY repealing and reenacting, with amendments,~~
 6 ~~Article Health General~~
 7 ~~Section 15-124(e), 15-601 through 15-604, inclusive, and 20-506~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2000 Replacement Volume)~~

10 ~~BY repealing and reenacting, with amendments,~~
 11 ~~Article Insurance~~
 12 ~~Section 15-606(a) and (e)~~
 13 ~~Annotated Code of Maryland~~
 14 ~~(1997 Volume and 2000 Supplement)~~

15 ~~BY repealing and reenacting, with amendments,~~
 16 ~~Chapter 565 of the Acts of the General Assembly of 2000~~
 17 ~~Section 5~~

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

20 ~~Article Health General~~

21 ~~15-103.~~

22 ~~(D) AS PERMITTED BY FEDERAL LAW OR WAIVER, THE SECRETARY SHALL~~
 23 ~~ADMINISTER THE MARYLAND PHARMACY DISCOUNT PROGRAM, ESTABLISHED~~
 24 ~~UNDER § 15-124.1 OF THIS SUBTITLE, AS PART OF THE MARYLAND MEDICAL~~
 25 ~~ASSISTANCE PROGRAM.~~

26 ~~15-124.~~

27 ~~(e) The Secretary shall develop a program, in consultation with appropriate~~
 28 ~~agencies, that will provide information to ineligible Maryland Pharmacy Assistance~~
 29 ~~Program applicants regarding other programs that they may be eligible for including~~
 30 ~~{free programs offered by drug manufacturers} THE MEDBANK PROGRAM~~
 31 ~~ESTABLISHED UNDER § 15-124.2 OF THIS ARTICLE.~~

32 ~~15-124.1.~~

33 ~~(A) THERE IS A MARYLAND PHARMACY DISCOUNT PROGRAM WITHIN THE~~
 34 ~~MARYLAND MEDICAL ASSISTANCE PROGRAM.~~

1 (B) ~~THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF~~
2 ~~MEDICARE ENROLLEES AND CERTAIN UNINSURED LOW INCOME INDIVIDUALS WHO~~
3 ~~LACK PRESCRIPTION DRUG COVERAGE BY PROVIDING ACCESS TO LOWER COST,~~
4 ~~MEDICALLY NECESSARY, PRESCRIPTION DRUGS.~~

5 (C) ~~THE PROGRAM SHALL BE ADMINISTERED AND OPERATED BY THE~~
6 ~~DEPARTMENT AS PERMITTED BY FEDERAL LAW OR WAIVER.~~

7 (D) ~~THE PROGRAM SHALL BE OPEN TO:~~

8 (1) ~~MEDICARE ENROLLEES WITHOUT OTHER PUBLIC OR PRIVATE~~
9 ~~PRESCRIPTION DRUG COVERAGE; AND~~

10 (2) ~~OTHER INDIVIDUALS WITH AN ANNUAL HOUSEHOLD INCOME AT OR~~
11 ~~BELOW 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES WITHOUT OTHER~~
12 ~~PUBLIC OR PRIVATE PRESCRIPTION DRUG COVERAGE.~~

13 (E) (1) ~~SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ENROLLEES OF~~
14 ~~THE PROGRAM SHALL BE ENTITLED TO PURCHASE MEDICALLY NECESSARY~~
15 ~~PRESCRIPTION DRUGS, COVERED UNDER MARYLAND MEDICAL ASSISTANCE~~
16 ~~PROGRAM, FROM ANY PHARMACY THAT PARTICIPATES IN THE MARYLAND MEDICAL~~
17 ~~ASSISTANCE PROGRAM AT A PRICE THAT IS EQUIVALENT TO THE PRICE PAID BY THE~~
18 ~~MARYLAND MEDICAL ASSISTANCE PROGRAM, INCLUDING THE BENEFIT MINUS THE~~
19 ~~AGGREGATE VALUE OF ANY FEDERALLY MANDATED MANUFACTURERS' REBATES.~~

20 (2) ~~TO THE EXTENT AUTHORIZED UNDER FEDERAL WAIVER, EACH~~
21 ~~ENROLLEE WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR BELOW 130 PERCENT OF~~
22 ~~THE FEDERAL POVERTY GUIDELINES SHALL BE ENTITLED TO A SUBSIDY EQUAL TO~~
23 ~~75 PERCENT OF THE PRICE PAID BY THE MARYLAND MEDICAL ASSISTANCE PROGRAM~~
24 ~~FOR EACH PRESCRIPTION DRUG PURCHASED UNDER THE PROGRAM.~~

25 (2) ~~(F) THE DEPARTMENT MAY ESTABLISH AN ANNUAL ENROLLMENT~~
26 ~~FEE TO COVER MECHANISMS TO:~~

27 (1) ~~RECOVER THE ADMINISTRATIVE COSTS OF THE PROGRAM; AND~~

28 (2) ~~REIMBURSE PARTICIPATING PHARMACIES IN AN AMOUNT EQUAL TO~~
29 ~~THE MARYLAND MEDICAL ASSISTANCE PRICE MINUS THE CO-PAYMENT PAID BY THE~~
30 ~~ENROLLEE FOR EACH PRESCRIPTION DRUG SOLD UNDER THE PROGRAM.~~

31 (F) ~~(G) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, AN~~
32 ~~INDIVIDUAL WHO IS ENROLLED IN OR HAS BEEN ENROLLED IN ANY OF THE~~
33 ~~FOLLOWING PROGRAMS IS ELIGIBLE TO ENROLL IN THE MARYLAND PHARMACY~~
34 ~~DISCOUNT PROGRAM, PROVIDED THE OTHER ELIGIBILITY CRITERIA ESTABLISHED~~
35 ~~UNDER THIS SECTION AND ANY REGULATIONS ADOPTED IN ACCORDANCE WITH THIS~~
36 ~~SECTION ARE MET.~~

37 (1) ~~THE MEDBANK PROGRAM ESTABLISHED UNDER § 15-124.2 OF THIS~~
38 ~~SUBTITLE; AND~~

1 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
2 ~~read as follows:~~

3 ~~**Article - Health - General**~~

4 ~~15-124.2.~~

5 (A) ~~THERE IS A MARYLAND MEDBANK PROGRAM.~~

6 (B) ~~THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF~~
7 ~~LOW INCOME INDIVIDUALS WHO LACK PRESCRIPTION DRUG COVERAGE BY~~
8 ~~ACCESSING MEDICALLY NECESSARY PRESCRIPTION DRUGS THROUGH PATIENT~~
9 ~~ASSISTANCE PROGRAMS SPONSORED BY PHARMACEUTICAL DRUG~~
10 ~~MANUFACTURERS.~~

11 (C) (1) ~~SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE PROGRAM~~
12 ~~SHALL BE ADMINISTERED AND OPERATED BY THE MARYLAND HEALTH CARE~~
13 ~~FOUNDATION ESTABLISHED UNDER TITLE 20, SUBTITLE 5 OF THIS ARTICLE.~~

14 (2) (1) ~~THE FOUNDATION MAY SHALL CONTRACT WITH ONE OR MORE~~
15 ~~QUALIFIED, NONPROFIT ORGANIZATIONS ENTITIES TO ADMINISTER AND OPERATE~~
16 ~~THE PROGRAM.~~

17 (H) ~~SUBJECT TO SUBSECTION (E)(2) OF THIS SECTION, THE~~
18 ~~FOUNDATION SHALL GIVE PRIORITY TO ANY LOCAL HEALTH DEPARTMENT OR AREA~~
19 ~~AGENCY ON AGING WHEN SELECTING ENTITIES TO ADMINISTER AND OPERATE THE~~
20 ~~PROGRAM.~~

21 (D) (1) ~~THE ADMINISTRATION AND OPERATION OF THE PROGRAM SHALL BE~~
22 ~~FUNDED AS PROVIDED FOR IN THE STATE BUDGET IN AN AMOUNT NOT MORE THAN~~
23 ~~\$2 MILLION ANNUALLY.~~

24 (2) ~~THE AMOUNT OF MONEY ALLOCATED TO ADMINISTRATIVE~~
25 ~~EXPENSES FOR THE PROGRAM MAY NOT EXCEED 10 PERCENT OF THE AMOUNT THAT~~
26 ~~IS ALLOCATED TO THE PROGRAM IN THE STATE BUDGET.~~

27 (2) (3) ~~PROGRAM FUNDS SHALL BE USED IN PART TO PURCHASE~~
28 ~~INTERIM SUPPLIES OF PRESCRIPTION DRUGS FOR PROGRAM ENROLLEES WHO HAVE~~
29 ~~BEEN APPROVED TO PARTICIPATE IN A MANUFACTURER'S PATIENT ASSISTANCE~~
30 ~~PROGRAM BUT HAVE NOT YET RECEIVED THE APPROVED PRESCRIPTION DRUG.~~

31 (E) (1) ~~THE FOUNDATION SHALL ENSURE THAT THE PROGRAM IS~~
32 ~~AVAILABLE TO RESIDENTS IN EACH GEOGRAPHIC REGION OF THE STATE. EACH OF~~
33 ~~THE FOLLOWING GEOGRAPHIC REGIONS OF THE STATE:~~

34 (1) ~~WESTERN MARYLAND;~~

35 (II) ~~THE EASTERN SHORE;~~

36 (III) ~~THE BALTIMORE METROPOLITAN AREA;~~

1 ~~(IV) THE MARYLAND COUNTIES IN THE WASHINGTON, D.C.~~
2 ~~METROPOLITAN AREA; AND~~

3 ~~(V) SOUTHERN MARYLAND, INCLUDING ANNE ARUNDEL COUNTY.~~

4 ~~(2) THE FOUNDATION SHALL USE THE MEDBANK OF MARYLAND, INC.~~
5 ~~AND THE WESTERN MARYLAND PRESCRIPTION PROGRAM AS THE REGIONAL~~
6 ~~OFFICES FOR THE BALTIMORE METROPOLITAN AREA AND WESTERN MARYLAND~~
7 ~~RESPECTIVELY.~~

8 ~~(F) ELIGIBILITY FOR THE PROGRAM SHALL BE LIMITED BY THE CRITERIA~~
9 ~~ESTABLISHED BY PHARMACEUTICAL MANUFACTURERS FOR THEIR PATIENT~~
10 ~~ASSISTANCE PROGRAMS.~~

11 ~~15-601.~~

12 ~~(a) In this subtitle the following words have the meanings indicated.~~

13 ~~(b) "Carrier" means:~~

14 ~~(1) An authorized insurer;~~

15 ~~(2) A nonprofit health service plan;~~

16 ~~(3) A health maintenance organization;~~

17 ~~(4) A managed care organization;~~

18 ~~(5) A dental plan organization; or~~

19 ~~(6) Any other person that provides health benefit plans subject to~~
20 ~~regulation by the State.~~

21 ~~(c) "Eligible individual" means an individual who:~~

22 ~~(1) Is a resident of Maryland and at least 65 years of age;~~

23 ~~(2) Is eligible for Medicare [Plus Choice, as defined under Title XVIII of~~
24 ~~the federal Social Security Act, as amended] COVERAGE;~~

25 ~~(3) [Resides in a medically underserved county or portion of a county;~~

26 ~~(4) Pays the premium for Medicare Part "B", as required by Title XVIII~~
27 ~~of the Social Security Act, as amended;~~

28 ~~(5)] Is not enrolled in a Medicare Plus Choice managed care program OR~~
29 ~~OTHER INSURANCE PROGRAM that provides prescription drug benefits at the time~~
30 ~~that the individual applies for enrollment in the plan; [and]~~

31 ~~(4) HAS AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 300 PERCENT~~
32 ~~OF THE FEDERAL POVERTY GUIDELINES; AND~~

- 1 ~~[(6)]~~ (5) Pays the premium, co-payments, and deductibles for the plan.
- 2 (d) "Enrollee" means an individual enrolled in the plan.
- 3 (e) "Fund" means the Short Term Prescription Drug Subsidy Plan Fund
4 created under § 15-604 of this subtitle.
- 5 ~~[(f)]~~ "Medically underserved county" means any of the following counties:
- 6 (1) Allegany County;
- 7 (2) Calvert County;
- 8 (3) Caroline County;
- 9 (4) Carroll County;
- 10 (5) Cecil County;
- 11 (6) Charles County;
- 12 (7) Dorchester County;
- 13 (8) Frederick County;
- 14 (9) Garrett County;
- 15 (10) Kent County;
- 16 (11) Queen Anne's County;
- 17 (12) St. Mary's County;
- 18 (13) Somerset County;
- 19 (14) Talbot County;
- 20 (15) Washington County;
- 21 (16) Wicomico County; or
- 22 (17) Worcester County.
- 23 ~~(g)~~ "Portion of a county" means a geographic part of a county not listed in
24 subsection (f) of this section that was served by a Medicare Plus Choice managed care
25 provider prior to January 1, 2000, and is no longer served.]
- 26 ~~[(h)]~~ (F) "Plan" means the Short Term Prescription Drug Subsidy Plan
27 established under this subtitle.

1 ~~15-602.~~

2 (a) ~~A carrier that is required to provide the Short Term Prescription Drug~~
3 ~~Subsidy Plan under § 15-606(c) of the Insurance Article shall:~~

4 (1) ~~Sign a contract with the Secretary agreeing to provide prescription~~
5 ~~drug benefits to eligible individuals for a period of at least 2 years;~~

6 (2) ~~Except as otherwise required under State or federal law, agree not to~~
7 ~~alter the level or types of benefits provided under the Plan throughout the 2-year~~
8 ~~period of the contract;~~

9 (3) ~~Agree to hold enrollee premiums at the same level throughout the~~
10 ~~2-year contract period;~~

11 (4) ~~Agree to continue to serve at least the same medically underserved~~
12 ~~counties or portions of counties throughout the 2-year contract period;] and~~

13 (5) (4) ~~[Make all performance review and financial records available~~
14 ~~for review by] SUBMIT A DETAILED QUARTERLY FINANCIAL ACCOUNTING OF THE~~
15 ~~PLAN, INCLUDING THE IDENTIFICATION OF ALL REVENUE AND COST ITEMS, TO the~~
16 ~~Secretary and the Maryland Insurance Administration;~~

17 (b) ~~The carrier is not required, in providing the Plan, to offer any other benefit~~
18 ~~otherwise required under Title 19, Subtitle 7 of this article or Title 15, Subtitle 8 of~~
19 ~~the Insurance Article;~~

20 ~~15-603.~~

21 (a) ~~The Plan provided under this subtitle shall:~~

22 (1) ~~Throughout the 2-year contract period, provide benefits to not more~~
23 ~~than [15,000] 50,000 enrollees at any one time who are eligible individuals [and who~~
24 ~~reside in any of the medically underserved counties or portions of counties];~~

25 (2) ~~Set the monthly premium charged an enrollee at [\$40] \$10;~~

26 (3) ~~Set the deductible charged an enrollee at \$50 per year per individual;~~

27 (4) ~~Limit the co-pay charged an enrollee to:~~

28 (i) ~~\$10 for a prescription for a generic drug;~~

29 (ii) ~~\$20 for a prescription for a preferred brand name drug; and~~

30 (iii) ~~\$35 for a prescription for a nonpreferred brand name drug; and~~

31 (5) ~~[Limit] SUBJECT TO SUBSECTION (D) OF THIS SECTION, LIMIT the~~
32 ~~total annual benefit to [\$1,000] \$1,200 per individual;~~

1 (b) ~~The Plan may include a restricted formulary of experimental drugs not~~
 2 ~~approved by the federal Food and Drug Administration for general use that will not be~~
 3 ~~reimbursed.~~

4 (c) ~~[(1) During the first 180 days of the operation of the Plan, the carrier may~~
 5 ~~enroll only eligible individuals who were:~~

6 (i) ~~Enrolled in Medicare Plus Choice managed care programs in~~
 7 ~~medically underserved counties or portions of counties on or before December 31,~~
 8 ~~1999; and~~

9 (ii) ~~After December 31, 1999, ceased to be enrolled in those plans.~~

10 (2) ~~On and after the 181st day of the operation of the Plan, the carrier~~
 11 ~~may enroll any eligible individual.~~

12 (3) ~~The carrier shall work with the Secretary and the Maryland~~
 13 ~~Department of Aging to provide notice, through the written and electronic media and~~
 14 ~~other means, to the eligible individuals eligible for enrollment in the first 180 days of~~
 15 ~~the operation of the Plan, of the availability of the Plan and of the enrollment~~
 16 ~~preference to be granted. | EFFECTIVE JULY 1, 2001, FOR THE YEAR BEGINNING JULY~~
 17 ~~1, 2001, THE CARRIER SHALL DISREGARD ALL BENEFIT AMOUNTS REALIZED UNDER~~
 18 ~~THE PLAN BY EACH ENROLLEE THROUGH JUNE 30, 2001, FOR THE PURPOSE OF~~
 19 ~~CALCULATING THE ENROLLEE'S PROGRESS TOWARD THE TOTAL ANNUAL BENEFIT~~
 20 ~~LIMIT.~~

21 ~~15-604.~~

22 (a) ~~There is a Short Term Prescription Drug Subsidy Plan Fund.~~

23 (b) ~~The Fund [contains the] CONSISTS OF:~~

24 (1) ~~THE assessment against carriers made under § 15-606(c) of the~~
 25 ~~Insurance Article;~~

26 (2) ~~PREMIUMS COLLECTED UNDER § 15-603 OF THIS SUBTITLE; AND~~

27 (3) ~~INTEREST AND INVESTMENT INCOME.~~

28 (c) ~~The Fund is a special, continuing, nonlapsing fund that is not subject to §~~
 29 ~~7-302 of the State Finance and Procurement Article.~~

30 (d) ~~The Treasurer shall separately hold, and the Comptroller shall account, for~~
 31 ~~the Fund.~~

32 (e) (1) ~~The Fund shall be invested and reinvested in the same manner as~~
 33 ~~other State funds.~~

34 (2) ~~Any INTEREST AND investment earnings shall be retained to the~~
 35 ~~credit of the Fund.~~

1 ~~(f) The Fund shall be subject to an audit by the Office of Legislative Audits, as~~
2 ~~provided in § 2-1220 of the State Government Article.~~

3 ~~(g) The Secretary shall transfer the moneys in the Fund to the carrier~~
4 ~~providing the Plan as the moneys are needed to provide benefits to enrollees in the~~
5 ~~Plan AS DOCUMENTED IN THE CARRIER'S ANNUAL REPORT SUBMITTED TO THE~~
6 ~~SECRETARY AND THE MARYLAND INSURANCE COMMISSIONER UNDER § 15-602(A)(4)~~
7 ~~OF THIS SUBTITLE.~~

8 ~~15-606.~~

9 ~~(A) FOR THE PURPOSE OF MAXIMIZING PARTICIPATION IN THE PLAN, THE~~
10 ~~DEPARTMENT SHALL DEVELOP AND IMPLEMENT AN OUTREACH PROGRAM~~
11 ~~TARGETED AT ELIGIBLE INDIVIDUALS.~~

12 ~~(B) THE DEPARTMENT SHALL PUBLICIZE THE EXISTENCE AND ELIGIBILITY~~
13 ~~REQUIREMENTS OF THE PLAN THROUGH THE FOLLOWING ENTITIES:~~

14 ~~(1) THE DEPARTMENT OF AGING;~~

15 ~~(2) LOCAL HEALTH DEPARTMENTS;~~

16 ~~(3) CONTINUING CARE RETIREMENT COMMUNITIES;~~

17 ~~(4) PLACES OF WORSHIP;~~

18 ~~(5) CIVIC ORGANIZATIONS;~~

19 ~~(6) COMMUNITY PHARMACIES; AND~~

20 ~~(7) ANY OTHER ENTITY THAT THE DEPARTMENT DETERMINES~~
21 ~~APPROPRIATE.~~

22 ~~(C) THE DEPARTMENT OF AGING, THROUGH ITS SENIOR HEALTH INSURANCE~~
23 ~~PROGRAM, SHALL:~~

24 ~~(1) ASSIST ELIGIBLE INDIVIDUALS IN APPLYING FOR COVERAGE UNDER~~
25 ~~THE PLAN; AND~~

26 ~~(2) PROVIDE NOTICE OF THE PLAN AND ITS ELIGIBILITY~~
27 ~~REQUIREMENTS TO EACH INDIVIDUAL WHO SEEKS HEALTH INSURANCE~~
28 ~~COUNSELING SERVICES THROUGH THE DEPARTMENT OF AGING.~~

29 ~~(D) THE DEPARTMENT SHALL ENSURE THAT THE ENTITIES USED TO~~
30 ~~PUBLICIZE THE EXISTENCE OF THE PLAN UNDER SUBSECTION (B) OF THIS SECTION~~
31 ~~ALSO HAVE SUFFICIENT PLAN APPLICATIONS AND ENROLLMENT MATERIALS FOR~~
32 ~~DISTRIBUTION.~~

33 ~~(E) AS PART OF ITS OUTREACH PROGRAM, THE DEPARTMENT SHALL DEVELOP~~
34 ~~A MAIL-IN APPLICATION.~~

1 ~~(F) THE OUTREACH PROGRAM FOR THE PLAN SHALL BE FUNDED THROUGH~~
 2 ~~THE SHORT TERM DRUG SUBSIDY PLAN FUND ESTABLISHED UNDER § 15-604 OF THIS~~
 3 ~~SUBTITLE AS APPROPRIATED IN THE STATE BUDGET.~~

4 20-506.

5 (a) The Foundation shall:

6 (1) Solicit and accept any gift, grant, legacy, or endowment of money,
 7 including in-kind services, from the federal government, State government, local
 8 government, or any private source in furtherance of the Foundation;

9 (2) Provide grants to programs that:

10 (i) Promote public awareness of the need to provide more timely
 11 and cost-effective care for uninsured Marylanders;

12 (ii) Expand access to health care services for uninsured individuals;
 13 or

14 (iii) Provide or subsidize health insurance coverage for uninsured
 15 individuals;

16 (3) Study the feasibility and cost effectiveness of providing health
 17 insurance coverage through the private market to uninsured children and their
 18 families as part of the program established under § 15-301 of this article;

19 (4) Develop programs for sponsorship by corporate and business
 20 organizations or private individuals;

21 (5) Develop criteria for awarding grants to health care delivery
 22 programs, insurance coverage programs, or corporate sponsorship programs;

23 (6) Develop criteria for prioritizing programs to be supported;

24 (7) Develop criteria for evaluating the effectiveness of programs
 25 receiving grants;

26 (8) Make, execute, and enter into any contract or other legal instrument;

27 (9) Receive appropriations as provided in the State budget;

28 (10) Lease and maintain an office at a place within the State that the
 29 Foundation designates;

30 (11) Adopt bylaws for the regulation of its affairs and the conduct of its
 31 business;

32 (12) ADMINISTER AND OPERATE THE MEDBANK PROGRAM AS
 33 ESTABLISHED UNDER IN ACCORDANCE WITH § 15-124.2 OF THIS ARTICLE;

1 (13) Take any other action necessary to carry out the purposes of the
2 Foundation; and

3 ~~[(13)]~~ (14) Report annually to the Governor and, subject to § 2-1246 of
4 the State Government Article, to the General Assembly, on its activities during the
5 preceding year, including an evaluation of the effectiveness of funded programs,
6 together with any recommendations or requests deemed appropriate to further the
7 purposes of the Foundation.

8 (b) The Foundation may sue and be sued, but only to enforce contractual or
9 similar agreements with the Foundation.

10 **Article – Insurance**

11 ~~15-606.~~

12 (a) In this section, "carrier" means:

13 ~~(1) an insurer;~~

14 ~~(2) a nonprofit health service plan;~~

15 ~~(3) a health maintenance organization; OR~~

16 ~~(4) [a dental plan organization; or~~

17 ~~(5)] any other person that provides health benefit plans subject to~~
18 ~~regulation by the State.~~

19 (e) ~~(1) In addition to the requirements imposed under subsection (b) of this~~
20 ~~section, a carrier may not receive the approved purchaser differential unless the~~
21 ~~carrier contributes, as provided in paragraph (2) of this subsection, to the Short Term~~
22 ~~Prescription Drug Subsidy Plan created under Title 15, Subtitle 6 of the Health~~
23 ~~General Article.~~

24 ~~(2) (i) The total contributions to be made to the Short Term~~
25 ~~Prescription Drug Subsidy Plan by all carriers participating in the substantial,~~
26 ~~[affordable, and available] AVAILABLE, AND AFFORDABLE coverage differential~~
27 ~~program shall be [\$5.4 million per year] EQUAL TO 50 PERCENT OF THE VALUE OF~~
28 ~~THE DIFFERENTIAL PROVIDED TO ALL CARRIERS THAT OFFER SUBSTANTIAL,~~
29 ~~AVAILABLE, AND AFFORDABLE COVERAGE IN THE NONGROUP INSURANCE MARKET.~~

30 ~~(ii) 1. Each carrier participating in the substantial, [affordable,~~
31 ~~and available] AVAILABLE, AND AFFORDABLE coverage differential program shall~~
32 ~~contribute an amount to the Short Term Prescription Drug Subsidy Plan that is~~
33 ~~equal to the total derived by multiplying [\$5.4 million] 50 PERCENT OF THE VALUE~~
34 ~~OF THE DIFFERENTIAL PROVIDED TO ALL CARRIERS IN THE PROGRAM by the~~
35 ~~percentage of the total benefit to all carriers from the substantial, [affordable, and~~
36 ~~available] AVAILABLE, AND AFFORDABLE coverage differential that the carrier~~
37 ~~[receives] RECEIVED on January 1, [2000] 2001.~~

1 ~~2. On July 1 of each year, the Health Services Cost Review~~
 2 ~~Commission shall calculate each carrier's contribution and assess the contribution as~~
 3 ~~provided in this subsection.~~

4 ~~(iii) 1. The last carrier to provide Medicare Plus Choice coverage~~
 5 ~~in medically underserved counties or portions of counties shall use an amount equal~~
 6 ~~to the contribution derived under subparagraph (ii) of this paragraph to provide the~~
 7 ~~Short Term Prescription Drug Subsidy Plan created under Title 15, Subtitle 6 of the~~
 8 ~~Health – General Article.~~

9 ~~2. The carrier is not required, in providing the plan under~~
 10 ~~this subparagraph, to offer any other benefit otherwise required under Title 19,~~
 11 ~~Subtitle 7 of the Health – General Article or Subtitle 8 of this title.~~

12 ~~(iv) The Health Services Cost Review Commission shall annually~~
 13 ~~assess [any] EACH carrier [other than the carrier described under subparagraph (iii)~~
 14 ~~of this paragraph] for the carrier's contribution and shall transfer the contribution to~~
 15 ~~the Treasurer of the State, for payment into the Short Term Prescription Drug~~
 16 ~~Subsidy Fund created under § 15-604 of the Health – General Article.~~

17 ~~(v) If a carrier withdraws from the substantial, [affordable, and~~
 18 ~~available] AVAILABLE, AND AFFORDABLE coverage program, the Commission shall~~
 19 ~~recalculate the contributions to the prescription drug subsidy plan for the remaining~~
 20 ~~carriers.~~

21 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
 22 ~~read as follows:~~

23 ~~**Chapter 565 of the Acts of 2000**~~

24 ~~SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
 25 ~~July 1, 2000. On the earlier of the end of June 30, [2002] 2003, or the availability of~~
 26 ~~comparable prescription pharmacy benefits provided by Medicare under Title XVIII of~~
 27 ~~the Social Security Act, as amended, with no further action required by the General~~
 28 ~~Assembly, this Act shall be abrogated and of no further force and effect. If comparable~~
 29 ~~prescription pharmacy benefits are provided by Medicare under Title XVIII of the~~
 30 ~~Social Security Act, the Secretary of Health and Mental Hygiene shall notify the~~
 31 ~~Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401 not~~
 32 ~~later than 90 days before prescription drug benefits are to be provided.~~

33 ~~SECTION 2. 5. AND BE IT FURTHER ENACTED, That the Department of~~
 34 ~~Health and Mental Hygiene shall submit to the federal Health Care Financing~~
 35 ~~Administration an application for an amendment to the State's existing 1115~~
 36 ~~demonstration waiver necessary to implement the Maryland Pharmacy Discount~~
 37 ~~Program established under § 15-124.1 of the Health – General Article. The~~
 38 ~~Department shall apply for federal matching funds subject to budget neutrality~~
 39 ~~requirements under § 1115 of the Social Security Act and the availability of State~~
 40 ~~funds.~~

1 SECTION 6. AND BE IT FURTHER ENACTED, That:

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

5 (b) the study shall include a consideration of:

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

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

10 (3) the fiscal impact, costs, and benefits of a variety of sizes of tax
11 credits; and

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

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

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

18 SECTION 7. AND BE IT FURTHER ENACTED, That:

19 (a) the Department of Health and Mental Hygiene shall study the feasibility
20 of purchasing prescription drugs through federally qualified health centers and local
21 health departments in Maryland to maximize the number of people who can benefit
22 from the purchasing power of these entities, especially under available federal
23 prescription drug pricing programs; and

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

27 (1) the scope of each entity's purchasing power under federal
28 prescription drug pricing programs;

29 (2) the federal restrictions or requirements placed on these entities as
30 conditions for participation in federal prescription drug pricing programs;

31 (3) the number and demographic characteristics, including area of
32 residence, economic status, and insurance status, of the individuals eligible to utilize
33 available prescription drug pricing programs through these entities in the State;

34 (4) the types of prescription drugs that are or could be available through
35 federal prescription drug pricing programs through these entities in the State;

1 ~~(5) recommendations regarding:~~

2 ~~(i) whether to pursue a method to access federal prescription drug~~
3 ~~pricing programs through these entities in the State; and~~

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

6 ~~1. the most appropriate method or methods to maximize the~~
7 ~~potential of federal prescription drug pricing programs through these entities in the~~
8 ~~State;~~

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

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

14 ~~(6) the costs and benefits of any recommendations under paragraph~~
15 ~~(3)(ii) of this section.~~

16 ~~SECTION 8. AND BE IT FURTHER ENACTED, That the Maryland Health~~
17 ~~Care Foundation shall report, in accordance with § 2-1246 of the State Government~~
18 ~~Article, to the General Assembly, and to the Governor, on or before December 1, 2001,~~
19 ~~and annually thereafter, on the Maryland Medbank Program created under Section 3~~
20 ~~of this Act, including:~~

21 ~~(a) the number and demographic characteristics of the State residents served~~
22 ~~by the program;~~

23 ~~(b) the types and approximate value of prescription drugs accessed through~~
24 ~~the program; and~~

25 ~~(c) the nature and extent of outreach performed to inform State residents of~~
26 ~~the assistance available through the program.~~

27 ~~SECTION 9. AND BE IT FURTHER ENACTED, That the Secretary of Health~~
28 ~~and Mental Hygiene shall adopt regulations not later than June 30, 2001 to~~
29 ~~implement the provisions of Section 3 of this Act.~~

30 ~~SECTION 10. AND BE IT FURTHER ENACTED, That the Secretary of Health~~
31 ~~and Mental Hygiene and the carrier that is required to provide the Short-Term~~
32 ~~Prescription Drug Subsidy Plan under § 15-606(c) of the Insurance Article shall~~
33 ~~agree, not later than June 30, 2001, to modify the contract required under Chapter~~
34 ~~565 of the Acts of the General Assembly of 2000 to enable the implementation,~~
35 ~~effective July 1, 2001, of the provisions of Section 3 of this Act.~~

36 ~~SECTION 11. AND BE IT FURTHER ENACTED, That, if the Secretary of~~
37 ~~Health and Mental Hygiene is notified by the federal Health Care Financing~~

~~1 Administration that any provision of Section 3 of this Act will invalidate the
2 Maryland Medicare Waiver or cause a reduction in the State's eligibility for federal
3 funding of Medicaid, the Secretary may suspend the implementation or operation of
4 the provision of Section 3 of this Act that is the subject of the notification.~~

~~5 SECTION 12. AND BE IT FURTHER ENACTED, That Section 3 of this Act
6 shall take effect July 1, 2001. On the earlier of the end of June 30, 2003, or the
7 availability of comparable prescription drug benefits provided by Medicare under
8 Title XVIII of the Social Security Act, as amended, with no further action required by
9 the General Assembly, Section 3 of this Act shall be abrogated and of no further force
10 and effect. If comparable prescription drug benefits are provided by Medicare under
11 Title XVIII of the Social Security Act, the Secretary of Health and Mental Hygiene
12 shall notify the Department of Legislative Services, 90 State Circle, Annapolis,
13 Maryland 21401 not later than 90 days before prescription drug benefits are to be
14 provided.~~

~~15 SECTION 13. AND BE IT FURTHER ENACTED, That Section 1 of this Act
16 shall take effect on the date that the federal Health Care Financing Administration
17 approves a waiver expansion applied for in accordance with Section 5 of this Act. The
18 Department of Health and Mental Hygiene shall, within 5 working days of the date of
19 the approval of the State's waiver expansion application, notify the Department of
20 Legislative Services in writing at 90 State Circle, Annapolis, Maryland 21401. If the
21 waiver expansion is denied, Section 1 of this Act shall be null and void without the
22 necessity of further action by the General Assembly.~~

~~23 SECTION 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act
24 shall take effect on the date that the federal Health Care Financing Administration
25 denies a waiver expansion applied for in accordance with Section 5 of this Act. The
26 Department of Health and Mental Hygiene shall, within 5 working days of the date of
27 the denial of the State's waiver expansion application, notify the Department of
28 Legislative Services in writing at 90 State Circle, Annapolis, Maryland 21401. If the
29 waiver expansion is approved, Section 2 of this Act shall be null and void without the
30 necessity of further action by the General Assembly.~~

~~31 SECTION 15. AND BE IT FURTHER ENACTED, That:~~

~~32 (a) No later than July 1, 2001, the carrier that is required to provide the
33 Short Term Prescription Drug Subsidy Plan established under § 15-606 of the
34 Insurance Article, as enacted by Section 3 of this Act, shall notify each individual who
35 was enrolled in a Medicare Plus Choice plan on or before December 31, 1999 and lost
36 coverage under that plan on or after January 1, 2000, of the existence of and
37 eligibility criteria for the Plan.~~

~~38 (b) (1) For the first 90 days following the effective date of this Act, the
39 carrier that is required to provide the Short Term Prescription Drug Subsidy Plan
40 under § 15-606 of the Insurance Article, as enacted by Section 3 of this Act, shall
41 enroll in the Short Term Prescription Drug Subsidy Plan only eligible individuals
42 who:~~

1 ~~(i) were enrolled in a Medicare Plus Choice managed care program~~
 2 ~~on or before December 31, 1999;~~

3 ~~(ii) lost coverage under a Medicare Plus Choice managed care plan~~
 4 ~~after December 31, 1999; and~~

5 ~~(iii) have an annual household income at or below 300 percent of the~~
 6 ~~federal poverty guidelines.~~

7 ~~(2) After the 90th day following the effective date of this Act, the carrier~~
 8 ~~may enroll any individual eligible under § 15-601(c) of the Health - General Article~~
 9 ~~as enacted by Section 2 of this Act.~~

10 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~
 11 ~~take effect June 1, 2001.~~

12 ~~SECTION 16. AND BE IT FURTHER ENACTED, That Sections 9, 10, and 15 of~~
 13 ~~this Act shall take effect June 1, 2001.~~

14 ~~SECTION 4. 17. AND BE IT FURTHER ENACTED, That, except as provided in~~
 15 ~~Section 3 Sections 13, 14, 16 of this Act, this Act shall take effect October July 1, 2001.~~

16 *FOR the purpose of establishing certain prescription drug benefit programs;*
 17 *establishing eligibility criteria for certain prescription drug benefit programs;*
 18 *requiring the Department of Health and Mental Hygiene to administer and*
 19 *operate a certain program as permitted by federal law or waiver; providing for an*
 20 *exception to a certain eligibility limitation; authorizing the Department to*
 21 *establish certain mechanisms to recover certain administrative costs, to*
 22 *reimburse certain participating pharmacies, and to allow certain pharmacies to*
 23 *charge a certain processing fee; requiring the Secretary of Health and Mental*
 24 *Hygiene to adopt certain regulations; requiring the Department to apply for a*
 25 *certain waiver expansion to implement certain programs; requiring the*
 26 *Maryland Health Care Foundation to operate and administer a certain program;*
 27 *requiring the Foundation to contract with certain government or nonprofit*
 28 *organizations to operate and administer the program; specifying the funding for*
 29 *the program; authorizing certain funds to be spent on certain interim supplies of*
 30 *prescription drugs; requiring the Foundation to make the program available in*
 31 *each geographic region of the State; altering the eligibility requirements for the*
 32 *Short-Term Prescription Drug Subsidy Plan; altering certain definitions;*
 33 *repealing certain definitions; altering the conditions for a carrier to provide the*
 34 *subsidy plan; extending the duration of the subsidy plan; lowering the monthly*
 35 *premium under the subsidy plan; increasing the benefit limit under the subsidy*
 36 *plan; eliminating the deductible under the subsidy plan; expanding the total*
 37 *number of enrollees allowed under the subsidy plan; requiring a certain carrier*
 38 *to alter the calculation of certain benefits beginning on a certain date; requiring*
 39 *a certain carrier to submit a certain quarterly financial accounting to certain*
 40 *agencies; specifying the contents of the Short-Term Prescription Drug Subsidy*
 41 *Plan Fund; requiring a certain carrier to develop and implement a certain*
 42 *marketing plan; providing that the marketing plan must be submitted to and*

1 approved by the Insurance Commissioner; requiring the Department of Health
2 and Mental Hygiene to develop and implement a certain outreach program;
3 requiring the Department of Aging to perform certain outreach functions; making
4 certain technical corrections; altering a certain contribution requirement for the
5 Fund; requiring the Health Services Cost Review Commission to transfer all
6 funds assessed and collected under a certain plan to a certain fund; requiring the
7 State Comptroller of the Treasury to study the feasibility of a certain tax credit in
8 consultation with the Department of Health and Mental Hygiene; requiring
9 certain reports to be submitted to the Governor and the General Assembly;
10 requiring the Department of Health and Mental Hygiene to study the feasibility
11 of purchasing prescription drugs in a certain manner; requiring the Foundation
12 to report certain information annually on or before a certain date; requiring the
13 Department to study the impact of a certain program on certain entities;
14 providing that certain individuals shall remain eligible for the subsidy plan
15 regardless of the imposition of certain new eligibility requirements; requiring the
16 Department and a certain carrier to extend a certain contract on or before a
17 certain date; providing that the Secretary of Health and Mental Hygiene may
18 suspend the implementation or operation of a certain plan upon certain notice by
19 the federal government; requiring a certain carrier to send a certain notice to
20 certain individuals by a certain date; stating the intent of the General Assembly;
21 providing for the termination of certain provisions of this Act; making certain
22 provisions of this Act subject to certain contingencies; providing for the effective
23 dates of this Act; and generally relating to prescription drug benefits.

24 BY adding to

25 Article - Health - General
26 Section 15-103(d), 15-124.1, 15-124.2, and 15-606
27 Annotated Code of Maryland
28 (2000 Replacement Volume)

29 BY repealing and reenacting, with amendments,

30 Article - Health - General
31 Section 15-124(e), 15-601 through 15-604, inclusive, and 20-506
32 Annotated Code of Maryland
33 (2000 Replacement Volume)

34 BY repealing and reenacting, with amendments,

35 Article - Insurance
36 Section 15-606(a) and (c)
37 Annotated Code of Maryland
38 (1997 Volume and 2000 Supplement)

39 BY repealing and reenacting, with amendments,

40 Chapter 565 of the Acts of the General Assembly of 2000
41 Section 2

1 BY repealing
2 Chapter 565 of the Acts of the General Assembly of 2000
3 Section 4 and 5

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 15-103.

8 (D) AS PERMITTED BY FEDERAL LAW OR WAIVER, THE SECRETARY SHALL
9 ADMINISTER THE MARYLAND PHARMACY DISCOUNT PROGRAM, ESTABLISHED
10 UNDER § 15-124.1 OF THIS SUBTITLE, AS PART OF THE MARYLAND MEDICAL
11 ASSISTANCE PROGRAM.

12 15-124.

13 (e) The Secretary shall develop a program, in consultation with appropriate
14 agencies, that will provide information to ineligible Maryland Pharmacy Assistance
15 Program applicants regarding other programs that they may be eligible for including
16 [free programs offered by drug manufacturers] THE MARYLAND MEDBANK PROGRAM
17 ESTABLISHED UNDER § 15-124.2 OF THIS SUBTITLE AND THE SHORT-TERM
18 PRESCRIPTION DRUG SUBSIDY PLAN ESTABLISHED UNDER SUBTITLE 6 OF THIS
19 TITLE.

20 15-124.1.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED:

23 (2) "ENROLLEE" MEANS AN INDIVIDUAL WHO IS ENROLLED IN THE
24 MARYLAND PHARMACY DISCOUNT PROGRAM.

25 (3) "PROGRAM" MEANS THE MARYLAND PHARMACY DISCOUNT
26 PROGRAM ESTABLISHED UNDER THIS SECTION.

27 (B) THERE IS A MARYLAND PHARMACY DISCOUNT PROGRAM WITHIN THE
28 MARYLAND MEDICAL ASSISTANCE PROGRAM.

29 (C) THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF
30 MEDICARE BENEFICIARIES WHO LACK PRESCRIPTION DRUG COVERAGE BY
31 PROVIDING ACCESS TO LOWER COST, MEDICALLY NECESSARY, PRESCRIPTION
32 DRUGS.

33 (D) THE PROGRAM SHALL BE ADMINISTERED AND OPERATED BY THE
34 DEPARTMENT AS PERMITTED BY FEDERAL LAW OR WAIVER.

35 (E) (1) THE PROGRAM SHALL BE OPEN TO MEDICARE BENEFICIARIES WHO
36 LACK OTHER PUBLIC OR PRIVATE PRESCRIPTION DRUG COVERAGE.

1 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION,
2 ENROLLMENT IN THE MARYLAND MEDBANK PROGRAM ESTABLISHED UNDER §
3 15-124.2 OF THIS SUBTITLE OR THE MARYLAND PHARMACY ASSISTANCE PROGRAM
4 ESTABLISHED UNDER § 15-124 OF THIS SUBTITLE DOES NOT DISQUALIFY AN
5 INDIVIDUAL FROM BEING ELIGIBLE FOR THE PROGRAM.

6 (F) (1) SUBJECT TO SUBSECTION (G) OF THIS SECTION, AN ENROLLEE MAY
7 PURCHASE MEDICALLY NECESSARY PRESCRIPTION DRUGS THAT ARE COVERED
8 UNDER THE MARYLAND MEDICAL ASSISTANCE PROGRAM FROM ANY PHARMACY
9 THAT PARTICIPATES IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM AT A PRICE
10 THAT IS BASED ON THE PRICE PAID BY THE MARYLAND MEDICAL ASSISTANCE
11 PROGRAM, MINUS THE AGGREGATE VALUE OF ANY FEDERALLY MANDATED
12 MANUFACTURERS' REBATES.

13 (2) SUBJECT TO SUBSECTION (G) OF THIS SECTION, AND TO THE
14 EXTENT AUTHORIZED UNDER FEDERAL WAIVER, AN ENROLLEE WHOSE ANNUAL
15 HOUSEHOLD INCOME IS AT OR BELOW 175 PERCENT OF THE FEDERAL POVERTY
16 GUIDELINES MAY RECEIVE A DISCOUNT SUBSIDIZED BY THE DEPARTMENT THAT IS
17 EQUAL TO 35 PERCENT OF THE PRICE PAID BY THE MARYLAND MEDICAL
18 ASSISTANCE PROGRAM FOR EACH MEDICALLY NECESSARY PRESCRIPTION DRUG
19 PURCHASED UNDER THE PROGRAM.

20 (G) THE DEPARTMENT MAY ESTABLISH MECHANISMS TO:

21 (1) RECOVER THE ADMINISTRATIVE COSTS OF THE PROGRAM;

22 (2) REIMBURSE PARTICIPATING PHARMACIES IN AN AMOUNT EQUAL TO
23 THE MARYLAND MEDICAL ASSISTANCE PRICE, MINUS THE COPAYMENT PAID BY THE
24 ENROLLEE FOR EACH PRESCRIPTION FILLED UNDER THE PROGRAM; AND

25 (3) ALLOW PARTICIPATING PHARMACIES TO COLLECT A \$1 PROCESSING
26 FEE, IN ADDITION TO ANY AUTHORIZED DISPENSING FEE, FOR EACH PRESCRIPTION
27 FILLED FOR AN ENROLLEE UNDER THE PROGRAM.

28 (H) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE
29 PROGRAM.

30 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
31 read as follows:

32 Article - Health - General

33 15-103.

34 (D) AS PERMITTED BY FEDERAL LAW, THE SECRETARY SHALL ADMINISTER
35 THE MARYLAND PHARMACY DISCOUNT PROGRAM, ESTABLISHED UNDER § 15-124.1
36 OF THIS SUBTITLE, AS PART OF THE MARYLAND PHARMACY ASSISTANCE PROGRAM.

1 15-124.1.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED:

4 (2) "ENROLLEE" MEANS AN INDIVIDUAL WHO IS ENROLLED IN THE
5 MARYLAND PHARMACY DISCOUNT PROGRAM.

6 (3) "PROGRAM" MEANS THE MARYLAND PHARMACY DISCOUNT
7 PROGRAM ESTABLISHED UNDER THIS SECTION.

8 (B) THERE IS A MARYLAND PHARMACY DISCOUNT PROGRAM WITHIN THE
9 MARYLAND PHARMACY ASSISTANCE PROGRAM.

10 (C) THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF
11 LOW INCOME MEDICARE BENEFICIARIES WHO LACK PRESCRIPTION DRUG
12 COVERAGE BY PROVIDING ACCESS TO LOWER COST, MEDICALLY NECESSARY,
13 PRESCRIPTION DRUGS.

14 (D) THE PROGRAM SHALL BE OPEN TO MEDICARE BENEFICIARIES WHO:

15 (1) LACK OTHER PUBLIC OR PRIVATE PRESCRIPTION DRUG COVERAGE;
16 AND

17 (2) HAVE AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 250 PERCENT
18 OF THE FEDERAL POVERTY GUIDELINES.

19 (E) (1) SUBJECT TO SUBSECTION (F) OF THIS SECTION, AN ENROLLEE MAY
20 PURCHASE MEDICALLY NECESSARY PRESCRIPTION DRUGS THAT ARE COVERED
21 UNDER THE MARYLAND PHARMACY ASSISTANCE PROGRAM FROM ANY PHARMACY
22 THAT PARTICIPATES IN THE MARYLAND PHARMACY ASSISTANCE PROGRAM AT A
23 PRICE THAT IS BASED ON THE PRICE PAID BY THE MARYLAND PHARMACY
24 ASSISTANCE PROGRAM, MINUS THE AGGREGATE VALUE OF ANY MANUFACTURERS'
25 REBATES PROVIDED UNDER THAT PROGRAM.

26 (2) EACH ENROLLEE UNDER THE PROGRAM WHOSE ANNUAL
27 HOUSEHOLD INCOME IS AT OR BELOW 175 PERCENT OF THE FEDERAL POVERTY
28 GUIDELINES MAY RECEIVE A DISCOUNT SUBSIDIZED BY THE DEPARTMENT THAT IS
29 EQUAL TO 25 PERCENT OF THE PRICE PAID BY THE MARYLAND PHARMACY
30 ASSISTANCE PROGRAM FOR EACH PRESCRIPTION DRUG PURCHASED UNDER THE
31 PROGRAM.

32 (F) THE DEPARTMENT MAY ESTABLISH MECHANISMS TO:

33 (1) RECOVER THE ADMINISTRATIVE COSTS OF THE PROGRAM;

34 (2) REIMBURSE PARTICIPATING PHARMACIES IN AN AMOUNT EQUAL TO
35 THE PRICE PAID BY THE MARYLAND PHARMACY ASSISTANCE PROGRAM, MINUS THE
36 COPAYMENT PAID BY THE ENROLLEE FOR EACH PRESCRIPTION FILLED UNDER THE
37 PROGRAM; AND

1 (3) ALLOW PARTICIPATING PHARMACIES TO COLLECT A \$1 PROCESSING
 2 FEE, IN ADDITION TO ANY AUTHORIZED DISPENSING FEE, FOR EACH PRESCRIPTION
 3 FILLED FOR AN ENROLLEE UNDER THE PROGRAM.

4 (G) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE
 5 PROGRAM.

6 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 7 read as follows:

8 Article - Health - General

9 15-124.2.

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 11 INDICATED:

12 (2) "FOUNDATION" MEANS THE MARYLAND HEALTH CARE FOUNDATION
 13 ESTABLISHED UNDER § 20-502 OF THIS ARTICLE.

14 (3) "PROGRAM" MEANS THE MARYLAND MEDBANK PROGRAM
 15 ESTABLISHED UNDER THIS SECTION.

16 (B) THERE IS A MARYLAND MEDBANK PROGRAM.

17 (C) THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF
 18 INDIVIDUALS THROUGHOUT THE STATE WHO LACK PRESCRIPTION DRUG COVERAGE
 19 BY PROVIDING ACCESS TO MEDICALLY NECESSARY PRESCRIPTION DRUGS THROUGH
 20 PATIENT ASSISTANCE PROGRAMS SPONSORED BY PHARMACEUTICAL DRUG
 21 MANUFACTURERS.

22 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE PROGRAM
 23 SHALL BE ADMINISTERED BY THE FOUNDATION.

24 (2) THE FOUNDATION SHALL CONTRACT WITH ONE OR MORE
 25 GOVERNMENT OR NONPROFIT ENTITIES TO OPERATE THE PROGRAM.

26 (E) (1) THE ADMINISTRATION AND OPERATION OF THE PROGRAM SHALL BE
 27 FUNDED THROUGH A GRANT PROVIDED BY THE DEPARTMENT.

28 (2) PROGRAM FUNDS MAY BE USED IN PART TO PURCHASE INTERIM
 29 SUPPLIES OF PRESCRIPTION DRUGS FOR ENROLLEES WHO HAVE APPLIED TO
 30 PARTICIPATE IN A MANUFACTURER'S PATIENT ASSISTANCE PROGRAM BUT HAVE
 31 NOT YET RECEIVED THE APPROVED PRESCRIPTION DRUG.

32 (F) (1) THE FOUNDATION SHALL ENSURE THAT THE PROGRAM IS
 33 AVAILABLE TO RESIDENTS IN EACH OF THE FOLLOWING GEOGRAPHIC REGIONS OF
 34 THE STATE:

35 (1) WESTERN MARYLAND;

- 1 (II) THE EASTERN SHORE;
- 2 (III) THE BALTIMORE METROPOLITAN AREA;
- 3 (IV) THE MARYLAND COUNTIES IN THE WASHINGTON, D.C.
4 METROPOLITAN AREA; AND
- 5 (V) SOUTHERN MARYLAND, INCLUDING ANNE ARUNDEL COUNTY.
- 6 (2) THE FOUNDATION SHALL USE MEDBANK OF MARYLAND, INC. AND
7 THE WESTERN MARYLAND PRESCRIPTION PROGRAM AS THE REGIONAL OFFICES
8 FOR THE BALTIMORE METROPOLITAN AREA AND WESTERN MARYLAND,
9 RESPECTIVELY.
- 10 (G) ELIGIBILITY FOR THE PROGRAM SHALL BE LIMITED ONLY BY THE
11 CRITERIA ESTABLISHED BY PHARMACEUTICAL MANUFACTURERS FOR THEIR
12 PATIENT ASSISTANCE PROGRAMS.
- 13 (H) (1) THE FOUNDATION SHALL REQUIRE DETAILED FINANCIAL REPORTS
14 AT LEAST QUARTERLY FROM THE ENTITIES THAT OPERATE THE PROGRAM.
- 15 (2) THE FOUNDATION SHALL RELEASE FUNDS TO THE ENTITIES THAT
16 OPERATE THE PROGRAM AS NEEDED AND JUSTIFIED BY THE QUARTERLY REPORTS
17 FILED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.
- 18 (I) ON OR BEFORE DECEMBER 1, 2001, AND ANNUALLY THEREAFTER, THE
19 FOUNDATION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §
20 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON THE
21 STATUS OF THE MARYLAND MEDBANK PROGRAM ESTABLISHED UNDER THIS
22 SECTION, INCLUDING:
- 23 (1) THE NUMBER AND DEMOGRAPHIC CHARACTERISTICS OF THE STATE
24 RESIDENTS SERVED BY THE PROGRAM;
- 25 (2) THE TYPES AND RETAIL VALUE OF PRESCRIPTION DRUGS ACCESSED
26 THROUGH THE PROGRAM;
- 27 (3) THE NATURE AND EXTENT OF OUTREACH PERFORMED TO INFORM
28 STATE RESIDENTS OF THE ASSISTANCE AVAILABLE THROUGH THE PROGRAM; AND
- 29 (4) THE TOTAL VOLUME AND RETAIL VALUE OF EACH BRAND NAME
30 DRUG, BY MANUFACTURER, ACCESSED THROUGH THE PROGRAM.
- 31 20-506.
- 32 (a) The Foundation shall:
- 33 (1) Solicit and accept any gift, grant, legacy, or endowment of money,
34 including in-kind services, from the federal government, State government, local
35 government, or any private source in furtherance of the Foundation;

- 1 (2) Provide grants to programs that:
- 2 (i) Promote public awareness of the need to provide more timely and
3 cost-effective care for uninsured Marylanders;
- 4 (ii) Expand access to health care services for uninsured individuals;
5 or
- 6 (iii) Provide or subsidize health insurance coverage for uninsured
7 individuals;
- 8 (3) Study the feasibility and cost-effectiveness of providing health
9 insurance coverage through the private market to uninsured children and their
10 families as part of the program established under § 15-301 of this article;
- 11 (4) Develop programs for sponsorship by corporate and business
12 organizations or private individuals;
- 13 (5) Develop criteria for awarding grants to health care delivery programs,
14 insurance coverage programs, or corporate sponsorship programs;
- 15 (6) Develop criteria for prioritizing programs to be supported;
- 16 (7) Develop criteria for evaluating the effectiveness of programs receiving
17 grants;
- 18 (8) Make, execute, and enter into any contract or other legal instrument;
- 19 (9) Receive appropriations as provided in the State budget;
- 20 (10) Lease and maintain an office at a place within the State that the
21 Foundation designates;
- 22 (11) Adopt bylaws for the regulation of its affairs and the conduct of its
23 business;
- 24 (12) ADMINISTER THE MARYLAND MEDBANK PROGRAM IN ACCORDANCE
25 WITH § 15-124.2 OF THIS ARTICLE;
- 26 (13) Take any other action necessary to carry out the purposes of the
27 Foundation; and
- 28 [(13)] (14) Report annually to the Governor and, subject to § 2-1246 of the
29 State Government Article, to the General Assembly, on its activities during the
30 preceding year, including an evaluation of the effectiveness of funded programs,
31 together with any recommendations or requests deemed appropriate to further the
32 purposes of the Foundation.
- 33 (b) The Foundation may sue and be sued, but only to enforce contractual or
34 similar agreements with the Foundation.

1 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 Article - Health - General

4 15-601.

5 (a) In this subtitle the following words have the meanings indicated.

6 (b) "Carrier" means:

7 (1) An authorized insurer;

8 (2) A nonprofit health service plan; OR

9 (3) A health maintenance organization[;

10 (4) A managed care organization;

11 (5) A dental plan organization; or

12 (6) Any other person that provides health benefit plans subject to
13 regulation by the State].

14 (c) "Eligible individual" means an individual who:

15 (1) Is a resident of Maryland [and at least 65 years of age];

16 (2) Is A MEDICARE BENEFICIARY [eligible for Medicare Plus Choice, as
17 defined under Title XVIII of the federal Social Security Act, as amended];

18 (3) [Resides in a medically underserved county or portion of a county;

19 (4) Pays the premium for Medicare Part "B", as required by Title XVIII of
20 the Social Security Act, as amended;

21 (5) Is not enrolled in a Medicare Plus Choice managed care program OR
22 OTHER INSURANCE PROGRAM that provides prescription drug benefits at the time
23 that the individual applies for enrollment in the plan; [and]

24 (4) HAS AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 300 PERCENT
25 OF THE FEDERAL POVERTY GUIDELINES; AND

26 [(6)] (5) Pays the premium[, co-payments, and deductibles] AND
27 COPAYMENTS for the plan.

28 (d) "Enrollee" means an individual enrolled in the plan.

29 (e) "Fund" means the Short-Term Prescription Drug Subsidy Plan Fund
30 created under § 15-604 of this subtitle.

1 [(f)] "Medically underserved county" means any of the following counties:

2 (1) Allegany County;

3 (2) Calvert County;

4 (3) Caroline County;

5 (4) Carroll County;

6 (5) Cecil County;

7 (6) Charles County;

8 (7) Dorchester County;

9 (8) Frederick County;

10 (9) Garrett County;

11 (10) Kent County;

12 (11) Queen Anne's County;

13 (12) St. Mary's County;

14 (13) Somerset County;

15 (14) Talbot County;

16 (15) Washington County;

17 (16) Wicomico County; or

18 (17) Worcester County.

19 (g) "Portion of a county" means a geographic part of a county not listed in
20 subsection (f) of this section that was served by a Medicare Plus Choice managed care
21 provider prior to January 1, 2000, and is no longer served.]

22 [(h)] (F) "Plan" means the Short-Term Prescription Drug Subsidy Plan
23 established under this subtitle.

24 15-602.

25 (a) A carrier that is required to provide the Short-Term Prescription Drug
26 Subsidy Plan under § 15-606(c) of the Insurance Article shall:

27 (1) Sign a contract with the Secretary agreeing to provide prescription
28 drug benefits to eligible individuals for a period of at least 2 years;

1 (2) Except as otherwise required under State or federal law, agree not to
 2 alter the level or types of benefits provided under the Plan throughout the 2-year
 3 period of the contract;

4 (3) Agree to hold enrollee premiums at the same level throughout the
 5 2-year contract period;

6 [(4) Agree to continue to serve at least the same medically underserved
 7 counties or portions of counties throughout the 2-year contract period;] and

8 [(5)] (4) [Make all performance review and financial records available
 9 for review by] SUBMIT A DETAILED QUARTERLY FINANCIAL ACCOUNTING OF THE
 10 PLAN, INCLUDING THE IDENTIFICATION OF ALL REVENUE AND COST ITEMS, TO the
 11 Secretary and the Maryland Insurance Administration.

12 (b) The carrier is not required, in providing the Plan, to offer any other benefit
 13 otherwise required under Title 19, Subtitle 7 of this article or Title 15, Subtitle 8 of the
 14 Insurance Article.

15 (C) (1) THE CARRIER SHALL DEVELOP AND IMPLEMENT A MARKETING PLAN
 16 TARGETED AT ELIGIBLE INDIVIDUALS THROUGHOUT THE STATE.

17 (2) THE CARRIER'S MARKETING PLAN SHALL BE FILED WITH AND
 18 APPROVED BY THE INSURANCE COMMISSIONER.

19 (3) THE CARRIER SHALL COORDINATE THE MARKETING PLAN WITH THE
 20 OUTREACH PROGRAM OF THE DEPARTMENT UNDER § 15-606 OF THIS SUBTITLE.

21 15-603.

22 (a) The Plan provided under this subtitle shall:

23 (1) [Throughout the 2-year contract period] SUBJECT TO THE MONEYS
 24 AVAILABLE IN THE FUND, provide benefits to not more than [15,000] 30,000 enrollees
 25 at any one time [who are eligible individuals and who reside in any of the medically
 26 underserved counties or portions of counties];

27 (2) Set the monthly premium charged an enrollee at [\$40] \$10;

28 (3) [Set the deductible charged an enrollee at \$50 per year per
 29 individual] NOT REQUIRE A DEDUCTIBLE; AND

30 (4) Limit the co-pay charged an enrollee to:

31 (i) \$10 for a prescription for a generic drug;

32 (ii) \$20 for a prescription for a preferred brand name drug; and

33 (iii) \$35 for a prescription for a nonpreferred brand name drug[;

34 and].

1 ~~(B)~~ ~~[(5)~~ ~~Limit]~~ THE PLAN MAY LIMIT the total annual benefit to \$1,000 per
2 individual.

3 ~~[(b)]~~ ~~(C)~~ The Plan may include a restricted formulary of experimental drugs
4 not approved by the federal Food and Drug Administration for general use that will
5 not be reimbursed.

6 ~~[(c)]~~ ~~(D)~~ ~~[(1)~~ During the first 180 days of the operation of the Plan, the carrier
7 may enroll only eligible individuals who were:

8 (i) Enrolled in Medicare Plus Choice managed care programs in
9 medically underserved counties or portions of counties on or before December 31, 1999;
10 and

11 (ii) After December 31, 1999, ceased to be enrolled in those plans.

12 (2) On and after the 181st day of the operation of the Plan, the carrier
13 may enroll any eligible individual.

14 (3) The carrier shall work with the Secretary and the Maryland
15 Department of Aging to provide notice, through the written and electronic media and
16 other means, to the eligible individuals eligible for enrollment in the first 180 days of
17 the operation of the Plan, of the availability of the Plan and of the enrollment
18 preference to be granted.] EFFECTIVE JULY 1, 2001, THE CARRIER SHALL DISREGARD
19 ALL BENEFIT AMOUNTS REALIZED UNDER THE PLAN BY EACH ENROLLEE THROUGH
20 JUNE 30, 2001, FOR THE PURPOSE OF CALCULATING THE ENROLLEE'S PROGRESS
21 TOWARD THE TOTAL ANNUAL BENEFIT LIMIT FOR THE YEAR BEGINNING JULY 1,
22 2001.

23 15-604.

24 (a) There is a Short-Term Prescription Drug Subsidy Plan Fund.

25 (b) The Fund contains:

26 (1) the assessment against carriers made under § 15-606(c) of the
27 Insurance Article;

28 (2) PREMIUMS COLLECTED UNDER § 15-603 OF THIS SUBTITLE; AND

29 (3) INTEREST AND INVESTMENT INCOME.

30 (c) The Fund is a special, continuing, nonlapsing fund that is not subject to §
31 7-302 of the State Finance and Procurement Article.

32 (d) The Treasurer shall separately hold, and the Comptroller shall account, for
33 the Fund.

34 (e) (1) The Fund shall be invested and reinvested in the same manner as
35 other State funds.

1 (2) Any INTEREST AND investment earnings shall be retained to the
2 credit of the Fund.

3 (f) The Fund shall be subject to an audit by the Office of Legislative Audits, as
4 provided in § 2-1220 of the State Government Article.

5 (g) The Secretary shall transfer the moneys in the Fund to the carrier providing
6 the Plan as the moneys are needed to provide benefits to enrollees in the Plan AS
7 DOCUMENTED IN THE CARRIER'S QUARTERLY REPORT SUBMITTED TO THE
8 SECRETARY AND THE MARYLAND INSURANCE ADMINISTRATION UNDER § 15-602(A)(4)
9 OF THIS SUBTITLE.
10 15-606.

11 (A) FOR THE PURPOSE OF MAXIMIZING PARTICIPATION IN THE PLAN, THE
12 DEPARTMENT SHALL DEVELOP AND IMPLEMENT AN OUTREACH PROGRAM
13 TARGETED AT ELIGIBLE INDIVIDUALS.

14 (B) THE DEPARTMENT SHALL PUBLICIZE THE EXISTENCE AND ELIGIBILITY
15 REQUIREMENTS OF THE PLAN THROUGH THE FOLLOWING ENTITIES:

16 (1) THE DEPARTMENT OF AGING;

17 (2) LOCAL HEALTH DEPARTMENTS;

18 (3) CONTINUING CARE RETIREMENT COMMUNITIES;

19 (4) PLACES OF WORSHIP;

20 (5) CIVIC ORGANIZATIONS;

21 (6) COMMUNITY PHARMACIES; AND

22 (7) ANY OTHER ENTITY THAT THE DEPARTMENT DETERMINES
23 APPROPRIATE.

24 (C) THE DEPARTMENT OF AGING, THROUGH ITS SENIOR HEALTH INSURANCE
25 PROGRAM, SHALL:

26 (1) ASSIST ELIGIBLE INDIVIDUALS IN APPLYING FOR COVERAGE UNDER
27 THE PLAN; AND

28 (2) PROVIDE NOTICE OF THE PLAN AND ITS ELIGIBILITY
29 REQUIREMENTS TO POTENTIALLY ELIGIBLE INDIVIDUALS WHO SEEK HEALTH
30 INSURANCE COUNSELING SERVICES THROUGH THE DEPARTMENT OF AGING.

31 (D) THE DEPARTMENT SHALL ENSURE THAT THE ENTITIES USED TO
32 PUBLICIZE THE EXISTENCE OF THE PLAN UNDER SUBSECTION (B) OF THIS SECTION
33 HAVE SUFFICIENT PLAN APPLICATIONS AND ENROLLMENT MATERIALS FOR
34 DISTRIBUTION.

1 (E) AS PART OF ITS OUTREACH PROGRAM, THE DEPARTMENT SHALL
 2 DEVELOP A MAIL-IN APPLICATION.

3 (F) THE OUTREACH PROGRAM FOR THE PLAN SHALL BE FUNDED THROUGH
 4 THE FUND.

5 Article - Insurance

6 15-606.

7 (a) In this section, "carrier" means:

8 (1) an insurer;

9 (2) a nonprofit health service plan;

10 (3) a health maintenance organization; OR

11 (4) [a dental plan organization; or

12 (5)] any other person that provides health benefit plans subject to
 13 regulation by the State.

14 (c) (1) In addition to the requirements imposed under subsection (b) of this
 15 section, a carrier may not receive the approved purchaser differential unless the carrier
 16 contributes, as provided in paragraph (2) of this subsection, to the Short-Term
 17 Prescription Drug Subsidy Plan created under Title 15, Subtitle 6 of the Health -
 18 General Article.

19 (2) (i) The total contributions to be made to the Short-Term
 20 Prescription Drug Subsidy Plan by all carriers participating in the substantial,
 21 [affordable, and available] AVAILABLE, AND AFFORDABLE coverage differential
 22 program shall be [\$5.4 million per year] EQUAL TO 37.5 PERCENT OF THE VALUE OF
 23 THE DIFFERENTIAL PROVIDED TO ALL CARRIERS THAT OFFER SUBSTANTIAL,
 24 AVAILABLE, AND AFFORDABLE COVERAGE IN THE NONGROUP INSURANCE MARKET.

25 (ii) 1. Each carrier participating in the substantial, [affordable,
 26 and available] AVAILABLE, AND AFFORDABLE coverage differential program shall
 27 contribute an amount to the Short-Term Prescription Drug Subsidy Plan that is equal
 28 to [the total derived by multiplying \$5.4 million] 37.5 PERCENT OF THE VALUE OF
 29 THE DIFFERENTIAL PROVIDED TO THAT CARRIER [by the percentage of the total
 30 benefit to all carriers from the substantial, affordable, and available coverage
 31 differential that the carrier receives on January 1, 2000] DURING THE PREVIOUS
 32 YEAR.

33 2. On OR BEFORE July 1 of each year, the Health Services
 34 Cost Review Commission shall calculate each carrier's contribution and assess the
 35 contribution as provided in this subsection.

1 (iii) 1. The last carrier to provide Medicare Plus Choice coverage
 2 in medically underserved counties [or portions of counties] shall use an amount equal
 3 to the contribution derived under subparagraph (ii) of this paragraph to provide the
 4 Short-Term Prescription Drug Subsidy Plan created under Title 15, Subtitle 6 of the
 5 Health - General Article.

6 2. The carrier is not required, in providing the plan under
 7 this subparagraph, to offer any other benefit otherwise required under Title 19,
 8 Subtitle 7 of the Health - General Article or Subtitle 8 of this title.

9 (iv) The Health Services Cost Review Commission shall annually
 10 assess [any] EACH carrier [other than the carrier described under subparagraph (iii)
 11 of this paragraph] for the carrier's contribution and shall transfer the contribution to
 12 the Treasurer of the State, for payment into the Short-Term Prescription Drug Subsidy
 13 Fund created under § 15-604 of the Health - General Article.

14 (v) If a carrier withdraws from the substantial, affordable, and
 15 available coverage program, the Commission shall recalculate the contributions to the
 16 prescription drug subsidy plan for the remaining carriers.]

17 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 18 read as follows:

19 **Chapter 565 of the Acts of 2000**

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Health Services Cost
 21 Review Commission may not take steps to eliminate or adjust the differential in
 22 hospital rates provided to carriers [who] THAT provide a substantial, [affordable,
 23 and available] AVAILABLE, AND AFFORDABLE product in the nongroup market, under
 24 § 15-606 of the Insurance Article and the regulations of the Commission, as those rates
 25 were in effect on January 1, 2000 until the later of the termination of the Short-Term
 26 Prescription Drug Subsidy Plan created under [this Act] TITLE 15, SUBTITLE 6 OF
 27 THE HEALTH - GENERAL ARTICLE or the end of June 30, [2002] 2003.

28 [SECTION 4. AND BE IT FURTHER ENACTED, That, if the Secretary of
 29 Health and Mental Hygiene is notified by the federal Health Care Financing
 30 Administration that any provision of Short-Term Prescription Drug Subsidy Plan or
 31 of this Act will invalidate the Maryland Medicare Waiver or cause a reduction in the
 32 State's eligibility for federal funding of Medicaid, the Secretary may suspend the
 33 provision of the Short-Term Prescription Drug Subsidy Plan or the provision of this
 34 Act that is the subject of the notification.

35 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
 36 July 1, 2000. On the earlier of the end of June 30, 2002, or the availability of
 37 comparable prescription pharmacy benefits provided by Medicare under Title XVIII of
 38 the Social Security Act, as amended, with no further action required by the General
 39 Assembly, this Act shall be abrogated and of no further force and effect. If comparable
 40 prescription pharmacy benefits are provided by Medicare under Title XVIII of the
 41 Social Security Act, the Secretary of Health and Mental Hygiene shall notify the

1 Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401 not
2 later than 90 days before prescription drug benefits are to be provided.]

3 SECTION 6. AND BE IT FURTHER ENACTED, That:

4 (a) on or before August 1, 2001, the Department of Health and Mental Hygiene
5 shall submit to the federal Health Care Financing Administration an application for
6 an amendment to the State's existing § 1115 demonstration waiver necessary to
7 implement the Maryland Pharmacy Discount Program established under § 15-124.1
8 of the Health - General Article;

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

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

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

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

21 (c) the Department shall apply for federal matching funds subject to budget
22 neutrality requirements under § 1115 of the Social Security Act and the availability of
23 State funds; and

24 (d) if the Health Care Financing Administration does not approve the portions
25 of the waiver application that require a processing fee or the pharmaceutical care
26 management program for participating pharmacies, the Department shall implement
27 the Maryland Pharmacy Discount Program without the processing fee.

28 SECTION 7. AND BE IT FURTHER ENACTED, That:

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

32 (b) the study shall include a consideration of:

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

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

1 (3) the fiscal impact, costs, and benefits of a variety of sizes of tax credits;

2 and

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

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

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

10 SECTION 8. AND BE IT FURTHER ENACTED, That:

11 (a) the Department of Health and Mental Hygiene shall study the feasibility of
12 purchasing prescription drugs through federally qualified health centers and local
13 health departments in Maryland to maximize the number of people who can benefit
14 from the purchasing power of these entities; and

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

18 (1) the scope of each type of entity's purchasing power under federal
19 prescription drug pricing programs;

20 (2) the federal restrictions or requirements placed on these types of
21 entities as conditions for participation in federal prescription drug pricing programs;

22 (3) the number and demographic characteristics, including area of
23 residence, economic status, and insurance status, of the individuals eligible to utilize
24 available prescription drug pricing programs through these types of entities in the
25 State;

26 (4) the types of prescription drugs that are or could be available through
27 federal prescription drug pricing programs through these types of entities in the State;

28 (5) recommendations regarding:

29 (i) whether to pursue a method to access federal prescription drug
30 pricing programs through these types of entities in the State; and

31 (ii) if the recommendation under item (i) of this item is affirmative:

32 1. the most appropriate method or methods to maximize the
33 potential of federal prescription drug pricing programs through these types of entities
34 in the State;

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

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

4 (6) the costs and benefits of any recommendations under item (5)(ii) of
5 this section.

6 SECTION 9. AND BE IT FURTHER ENACTED, That the Secretary of Health
7 and Mental Hygiene shall adopt regulations not later than June 30, 2001 to implement
8 the provisions of Section 4 of this Act.

9 SECTION 10. AND BE IT FURTHER ENACTED, That the Secretary of Health
10 and Mental Hygiene and the carrier that is required to provide the Short-Term
11 Prescription Drug Subsidy Plan under § 15-606(c) of the Insurance Article shall agree,
12 not later than June 30, 2001, to modify the contract required under Chapter 565 of the
13 Acts of the General Assembly of 2000 to enable the implementation, effective July 1,
14 2001, of the provisions of Section 4 of this Act.

15 SECTION 11. AND BE IT FURTHER ENACTED, That, if the Secretary of
16 Health and Mental Hygiene is notified by the federal Health Care Financing
17 Administration that any provision of Section 4 of this Act will invalidate the Maryland
18 Medicare Waiver or cause a reduction in the State's eligibility for federal funding of
19 Medicaid, the Secretary may suspend the implementation or operation of the provision
20 of Section 4 of this Act that is the subject of the notification.

21 SECTION 12. AND BE IT FURTHER ENACTED, That Sections 3 and 4 of this
22 Act shall take effect July 1, 2001. On the earlier of the end of June 30, 2003, or the
23 availability of comparable prescription drug benefits provided by Medicare under Title
24 XVIII of the Social Security Act, as amended, with no further action required by the
25 General Assembly, Sections 3 and 4 of this Act shall be abrogated and of no further
26 force and effect. If comparable prescription drug benefits are provided by Medicare
27 under Title XVIII of the Social Security Act, the Secretary of Health and Mental
28 Hygiene shall notify the Department of Legislative Services, 90 State Circle,
29 Annapolis, Maryland 21401 not later than 90 days before prescription drug benefits
30 are to be provided.

31 SECTION 13. AND BE IT FURTHER ENACTED, That Section 1 of this Act
32 shall take effect on the date that the federal Health Care Financing Administration
33 approves a waiver amendment applied for in accordance with Section 6 of this Act. The
34 Department of Health and Mental Hygiene shall, within 5 working days of the date of
35 the approval of the State's waiver amendment application, notify the Department of
36 Legislative Services in writing at 90 State Circle, Annapolis, Maryland 21401. If the
37 waiver amendment is denied, Section 1 of this Act shall be null and void without the
38 necessity of further action by the General Assembly.

39 SECTION 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act
40 shall take effect on the date that the federal Health Care Financing Administration
41 denies a waiver amendment applied for in accordance with Section 6 of this Act. The
42 Department of Health and Mental Hygiene shall, within 5 working days of the date of

1 the denial of the State's waiver amendment application, notify the Department of
2 Legislative Services in writing at 90 State Circle, Annapolis, Maryland 21401. If the
3 waiver amendment is approved, Section 2 of this Act shall be null and void without the
4 necessity of further action by the General Assembly.

5 SECTION 15. AND BE IT FURTHER ENACTED, That the Department of
6 Health and Mental Hygiene may not enroll eligible individuals in the Maryland
7 Pharmacy Discount Program established under § 15-124.1 of the Health - General
8 Article before January 1, 2002.

9 SECTION 16. AND BE IT FURTHER ENACTED, That:

10 (a) an individual who is enrolled in the Short-Term Prescription Drug Subsidy
11 Plan as of June 30, 2001 shall remain eligible for the Plan regardless of whether the
12 individual satisfies the income eligibility requirements imposed under § 15-601 of the
13 Health - General Article on July 1, 2001; and

14 (b) no later than June 20, 2001, the carrier that is required to provide the
15 Short-Term Prescription Drug Subsidy Plan established under § 15-606 of the
16 Insurance Article, as enacted by Section 4 of this Act, shall notify each individual who
17 was enrolled in a Medicare Plus Choice plan on or before December 31, 1999 and lost
18 coverage under that plan on or after January 1, 2000, of the existence of and eligibility
19 criteria for the Plan.

20 SECTION 17. AND BE IT FURTHER ENACTED, That:

21 (a) one year from the implementation date of the Maryland Pharmacy Discount
22 Program established under § 15-124.1 of the Health - General Article, the Department
23 of Health and Mental Hygiene shall report to the House Economic Matters Committee
24 and the Senate Finance Committee, in accordance with § 2-1246 of the State
25 Government Article, on the impact of the Program on both independent and chain
26 pharmacies that participate in the Program.

27 (b) the study shall include data and information regarding:

28 (1) the average price of each of the 10 most commonly purchased
29 prescription drugs under the Program, with a comparison to the average retail price of
30 those prescription drugs for an individual without any prescription drug benefits;

31 (2) the average discount per prescription provided by participating
32 pharmacies to enrollees under the Program;

33 (3) the aggregate value of the discounts provided by participating
34 pharmacies to enrollees under the Program;

35 (4) the aggregate value of pharmaceutical manufacturers' rebates
36 provided under the Program; and

1 (5) the impact of the discounts provided under the Program by
2 participating pharmacies, on the gross annual revenues and net profits, derived from
3 the sale of prescription drugs, of participating pharmacies.

4 SECTION 18. AND BE IT FURTHER ENACTED, That it is the intent of the
5 General Assembly that the Department of Health and Mental Hygiene shall transfer
6 \$2.5 million of the fiscal year 2002 Medical Care Programs Provider Reimbursement
7 Budget, and \$3 million of the fiscal year 2003 Medical Care Programs Provider
8 Reimbursement Budget, to the Maryland Health Care Foundation for the sole purpose
9 of making one or more grants to entities to operate the Maryland Medbank Program
10 established under § 15-124.2 of the Health - General Article.

11 SECTION 19. AND BE IT FURTHER ENACTED, That is it the intent of the
12 General Assembly that the Department of Health and Mental Hygiene shall authorize
13 a \$1 processing fee for participating pharmacies in the Maryland Pharmacy Discount
14 Program established under § 15-124.1 of the Health - General Article for one year
15 after the implementation date of the Program.

16 SECTION 20. AND BE IT FURTHER ENACTED, That it is the intent of the
17 General Assembly that, beginning in fiscal year 2003, each carrier participating in the
18 substantial, available, and affordable coverage differential program shall contribute
19 to the Short-Term Prescription Drug Subsidy Plan Fund under § 15-606(c) of the
20 Insurance Article an amount equal to 50 percent of the value of that carrier's
21 differential under the program, if:

22 (a) the General Assembly acts affirmatively to increase the contribution to 50
23 percent; and

24 (b) the Short-Term Prescription Drug Subsidy Plan demonstrates a financial
25 need for the increased contribution.

26 SECTION 21. AND BE IT FURTHER ENACTED, That Sections 9, 10, and 16 of
27 this Act shall take effect June 1, 2001.

28 SECTION 22. AND BE IT FURTHER ENACTED, That, except as provided in
29 Sections 13, 14, and 21 of this Act, this Act shall take effect July 1, 2001.