

HOUSE BILL 6

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2001 Regular Session
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(PRE-FILED)

By: **Delegates Taylor, Busch, Dewberry, Hurson, Arnick, Doory, Guns,
Harrison, Hixson, Howard, Kopp, Menes, Montague, Owings, Rawlings,
Rosenberg, Vallario, and Wood**

Requested: November 15, 2000

Introduced and read first time: January 10, 2001

Assigned to: Economic Matters and Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Coverage of Insurance Gaps in Pharmaceutical Benefits for Seniors**

3 FOR the purpose of establishing certain prescription drug benefit programs;
4 establishing eligibility criteria for certain prescription drug benefit programs;
5 requiring the Department of Health and Mental Hygiene to administer and
6 operate a certain program as permitted by federal law or waiver; providing for
7 an exception to a certain eligibility limitation; authorizing the Department to
8 establish a certain enrollment fee to cover certain costs; requiring the Secretary
9 of Health and Mental Hygiene to adopt certain regulations; requiring the
10 Department to apply for a certain waiver expansion to implement a certain
11 program; requiring the Maryland Health Care Foundation to operate and
12 administer a certain program; authorizing the Foundation to contract with
13 certain nonprofit organizations to operate and administer a certain program;
14 specifying the funding source of a certain program; requiring certain funds to be
15 spent on a certain activity; requiring the Foundation to make a certain program
16 available in each geographic region of the State; and generally relating to
17 prescription drug coverage.

18 BY adding to

19 Article - Health - General

20 Section 15-103(d), 15-124.1, and 15-124.2

21 Annotated Code of Maryland

22 (2000 Replacement Volume)

23 BY repealing and reenacting, with amendments,

24 Article - Health - General

25 Section 15-124(e) and 20-506

26 Annotated Code of Maryland

27 (2000 Replacement Volume)

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

3 **Article - Health - General**

4 15-103.

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

9 15-124.

10 (e) The Secretary shall develop a program, in consultation with appropriate
11 agencies, that will provide information to ineligible Maryland Pharmacy Assistance
12 Program applicants regarding other programs that they may be eligible for including
13 [free programs offered by drug manufacturers] THE MEDBANK PROGRAM
14 ESTABLISHED UNDER § 15-124.2 OF THIS ARTICLE.

15 15-124.1.

16 (A) THERE IS A MARYLAND PHARMACY DISCOUNT PROGRAM WITHIN THE
17 MARYLAND MEDICAL ASSISTANCE PROGRAM.

18 (B) THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF
19 MEDICARE ENROLLEES AND CERTAIN UNINSURED INDIVIDUALS WHO LACK
20 PRESCRIPTION DRUG COVERAGE BY PROVIDING ACCESS TO LOWER COST,
21 MEDICALLY NECESSARY, PRESCRIPTION DRUGS.

22 (C) THE PROGRAM SHALL BE ADMINISTERED AND OPERATED BY THE
23 DEPARTMENT AS PERMITTED BY FEDERAL LAW OR WAIVER.

24 (D) THE PROGRAM SHALL BE OPEN TO:

25 (1) MEDICARE ENROLLEES WITHOUT OTHER PUBLIC OR PRIVATE
26 PRESCRIPTION DRUG COVERAGE; AND

27 (2) INDIVIDUALS WITH AN ANNUAL HOUSEHOLD INCOME AT OR BELOW
28 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES WITHOUT OTHER PUBLIC OR
29 PRIVATE PRESCRIPTION DRUG COVERAGE.

30 (E) (1) ENROLLEES OF THE PROGRAM SHALL BE ENTITLED TO PURCHASE
31 MEDICALLY NECESSARY PRESCRIPTION DRUGS FROM ANY PHARMACY THAT
32 PARTICIPATES IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM AT A PRICE THAT
33 IS EQUIVALENT TO THE PRICE PAID BY THE MARYLAND MEDICAL ASSISTANCE
34 PROGRAM, INCLUDING THE BENEFIT OF ANY FEDERALLY MANDATED
35 MANUFACTURERS' REBATES.

1 (2) THE DEPARTMENT MAY ESTABLISH AN ANNUAL ENROLLMENT FEE
2 TO COVER THE ADMINISTRATIVE COSTS OF THE PROGRAM.

3 (F) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, AN INDIVIDUAL
4 WHO IS ENROLLED IN OR HAS BEEN ENROLLED IN ANY OF THE FOLLOWING
5 PROGRAMS IS ELIGIBLE TO ENROLL IN THE MARYLAND PHARMACY DISCOUNT
6 PROGRAM, PROVIDED THE OTHER ELIGIBILITY CRITERIA ESTABLISHED UNDER THIS
7 SECTION AND ANY REGULATIONS ADOPTED IN ACCORDANCE WITH THIS SECTION
8 ARE MET:

9 (1) THE MEDBANK PROGRAM ESTABLISHED UNDER § 15-124.2 OF THIS
10 SUBTITLE; AND

11 (2) THE MARYLAND PHARMACY ASSISTANCE PROGRAM ESTABLISHED
12 UNDER § 15-124 OF THIS SUBTITLE.

13 (G) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE
14 PROGRAM.

15 15-124.2.

16 (A) THERE IS A MARYLAND MEDBANK PROGRAM.

17 (B) THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF
18 LOW INCOME INDIVIDUALS WHO LACK PRESCRIPTION DRUG COVERAGE BY
19 ACCESSING MEDICALLY NECESSARY PRESCRIPTION DRUGS THROUGH PATIENT
20 ASSISTANCE PROGRAMS SPONSORED BY PHARMACEUTICAL DRUG
21 MANUFACTURERS.

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

25 (2) THE FOUNDATION MAY CONTRACT WITH ONE OR MORE QUALIFIED,
26 NONPROFIT ORGANIZATIONS TO ADMINISTER AND OPERATE THE PROGRAM.

27 (D) (1) THE ADMINISTRATION AND OPERATION OF THE PROGRAM SHALL BE
28 FUNDED AS PROVIDED FOR IN THE STATE BUDGET.

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

33 (E) THE FOUNDATION SHALL ENSURE THAT THE PROGRAM IS AVAILABLE TO
34 RESIDENTS IN EACH GEOGRAPHIC REGION OF THE STATE.

35 (F) ELIGIBILITY FOR THE PROGRAM SHALL BE LIMITED BY THE CRITERIA
36 ESTABLISHED BY PHARMACEUTICAL MANUFACTURERS FOR THEIR PATIENT
37 ASSISTANCE PROGRAMS.

1 20-506.

2 (a) The Foundation shall:

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

6 (2) Provide grants to programs that:

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

9 (ii) Expand access to health care services for uninsured individuals;
10 or

11 (iii) Provide or subsidize health insurance coverage for uninsured
12 individuals;

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

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

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

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

21 (7) Develop criteria for evaluating the effectiveness of programs
22 receiving grants;

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

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

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

27 (11) Adopt bylaws for the regulation of its affairs and the conduct of its
28 business;

29 (12) ADMINISTER AND OPERATE THE MEDBANK PROGRAM AS
30 ESTABLISHED UNDER § 15-124.2 OF THIS ARTICLE;

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

1 [(13)] (14) Report annually to the Governor and, subject to § 2-1246 of
2 the State Government Article, to the General Assembly, on its activities during the
3 preceding year, including an evaluation of the effectiveness of funded programs,
4 together with any recommendations or requests deemed appropriate to further the
5 purposes of the Foundation.

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of
9 Health and Mental Hygiene shall submit to the federal Health Care Financing
10 Administration an amendment to the State's existing 1115 demonstration waiver
11 necessary to implement the Maryland Pharmacy Discount Program established under
12 § 15-124.1 of the Health - General Article.

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

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