

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 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

Requested: November 15, 2000

Introduced and read first time: January 10, 2001

Assigned to: Economic Matters and Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2001

CHAPTER _____

1 AN ACT concerning

2 ~~Coverage of Insurance Caps in Pharmaceutical Benefits for Seniors~~
3 Senior Prescription Drug Relief Act

4 FOR the purpose of establishing certain prescription drug benefit programs;
5 establishing eligibility criteria for certain prescription drug benefit programs;
6 requiring the Department of Health and Mental Hygiene to administer and
7 operate a certain program as permitted by federal law or waiver; providing for
8 an exception to a certain eligibility limitation; authorizing the Department to
9 establish ~~a certain enrollment fee to cover certain costs~~ certain mechanisms to
10 recover certain administrative costs and to reimburse certain participating
11 pharmacies; requiring the Secretary of Health and Mental Hygiene to adopt
12 certain regulations; requiring the Department to apply for a certain waiver
13 expansion to implement a certain program; requiring the Maryland Health Care
14 Foundation to operate and administer a certain program; authorizing the
15 Foundation to contract with certain nonprofit organizations to operate and

administer a certain program; requiring the Foundation to contract with certain entities to administer a certain program; requiring the Foundation to give priority to certain entities when contracting for the administration of a certain program; specifying the funding source of a certain program; requiring certain funds to be spent on a certain activity; requiring the Foundation to make a certain program available in each geographic region of the State; altering the eligibility requirements for the short-term prescription drug subsidy plan; altering certain definitions; repealing certain definitions; altering the conditions for a carrier to provide the subsidy plan; extending the duration of the short-term drug subsidy plan; lowering the monthly premium under the plan; increasing the benefit limit under the plan; expanding the total number of enrollees allowed under the plan; requiring a certain carrier to alter the calculation of certain benefits beginning on a certain date; requiring a certain carrier to submit a certain quarterly financial accounting to certain agencies; specifying the contents of a certain fund; requiring the Department of Health and Mental Hygiene to develop and implement a certain outreach program; requiring the Department of Aging to perform certain outreach functions; making certain technical corrections; altering a certain contribution requirement; requiring the Health Services Cost Review Commission to transfer all funds assessed and collected under a certain plan to a certain fund; providing that a certain carrier shall only enroll certain individuals in a certain plan for a certain period of time; requiring the State Comptroller of the Treasury to study the feasibility of a certain tax credit in consultation with the Department of Health and Mental Hygiene; requiring certain reports to be submitted to the Governor and the General Assembly; requiring the Department of Health and Mental Hygiene to study the feasibility of purchasing prescription drugs in a certain manner; requiring the Foundation to report certain information annually on or before a certain date; requiring the Department and a certain carrier to extend a certain contract on or before a certain date; providing that the Secretary of Health and Mental Hygiene may suspend the implementation or operation of a certain plan upon certain notice by the federal government; requiring a certain carrier to send a certain notice to certain individuals by a certain date; providing for the termination of certain portions of this Act; making certain provisions of this Act subject to certain contingencies; providing for the effective dates of this Act; and generally relating to prescription drug coverage.

BY adding to
Article - Health - General
Section 15-103(d), 15-124.1, ~~and 15-124.2~~ 15-124.2, and 15-606
Annotated Code of Maryland
(2000 Replacement Volume)

BY repealing and reenacting, with amendments,
Article - Health - General
Section 15-124(e), 15-601 through 15-604, inclusive, and 20-506
Annotated Code of Maryland

1 (2000 Replacement Volume)

2 BY repealing and reenacting, with amendments,

3 Article - Insurance

4 Section 15-606(a) and (c)

5 Annotated Code of Maryland

6 (1997 Volume and 2000 Supplement)

7 BY repealing and reenacting, with amendments,

8 Chapter 565 of the Acts of the General Assembly of 2000

9 Section 5

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

12 **Article - Health - General**

13 15-103.

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

18 15-124.

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

24 15-124.1.

25 (A) THERE IS A MARYLAND PHARMACY DISCOUNT PROGRAM WITHIN THE
26 MARYLAND MEDICAL ASSISTANCE PROGRAM.

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

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

33 (D) THE PROGRAM SHALL BE OPEN TO:

34 (1) MEDICARE ENROLLEES WITHOUT OTHER PUBLIC OR PRIVATE
35 PRESCRIPTION DRUG COVERAGE; AND

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

4 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ENROLLEES OF
5 THE PROGRAM SHALL BE ENTITLED TO PURCHASE MEDICALLY NECESSARY
6 PRESCRIPTION DRUGS, COVERED UNDER MARYLAND MEDICAL ASSISTANCE
7 PROGRAM, FROM ANY PHARMACY THAT PARTICIPATES IN THE MARYLAND MEDICAL
8 ASSISTANCE PROGRAM AT A PRICE THAT IS EQUIVALENT TO THE PRICE PAID BY THE
9 MARYLAND MEDICAL ASSISTANCE PROGRAM, ~~INCLUDING THE BENEFIT MINUS THE~~
10 ~~AGGREGATE VALUE~~ OF ANY FEDERALLY MANDATED MANUFACTURERS' REBATES.

11 (2) TO THE EXTENT AUTHORIZED UNDER FEDERAL WAIVER, EACH
12 ENROLLEE WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR BELOW 130 PERCENT OF
13 THE FEDERAL POVERTY GUIDELINES SHALL BE ENTITLED TO A SUBSIDY EQUAL TO
14 75 PERCENT OF THE PRICE PAID BY THE MARYLAND MEDICAL ASSISTANCE PROGRAM
15 FOR EACH PRESCRIPTION DRUG PURCHASED UNDER THE PROGRAM.

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

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

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

22 ~~(F)~~ (G) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, AN
23 INDIVIDUAL WHO IS ENROLLED IN OR HAS BEEN ENROLLED IN ANY OF THE
24 FOLLOWING PROGRAMS IS ELIGIBLE TO ENROLL IN THE MARYLAND PHARMACY
25 DISCOUNT PROGRAM, PROVIDED THE OTHER ELIGIBILITY CRITERIA ESTABLISHED
26 UNDER THIS SECTION AND ANY REGULATIONS ADOPTED IN ACCORDANCE WITH THIS
27 SECTION ARE MET:

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

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

32 ~~(G)~~ (H) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE
33 PROGRAM.

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

Article - Health - General

15-124.1.

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

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

(C) THE PROGRAM SHALL BE OPEN TO MEDICARE ENROLLEES WHO:

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

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

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ENROLLEES OF THE PROGRAM SHALL BE ENTITLED TO PURCHASE MEDICALLY NECESSARY PRESCRIPTION DRUGS COVERED UNDER THE MARYLAND PHARMACY ASSISTANCE PROGRAM FROM ANY PHARMACY THAT PARTICIPATES IN THE MARYLAND PHARMACY ASSISTANCE PROGRAM AT A PRICE THAT IS EQUAL TO THE PRICE PAID BY THE MARYLAND PHARMACY ASSISTANCE PROGRAM, MINUS THE AGGREGATE VALUE OF ANY MANUFACTURERS' REBATES PROVIDED UNDER THAT PROGRAM.

(2) EACH ENROLLEE UNDER THE MARYLAND PHARMACY DISCOUNT PROGRAM WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR BELOW 155 PERCENT OF THE FEDERAL POVERTY GUIDELINES SHALL BE ENTITLED TO A SUBSIDY EQUAL TO 50 PERCENT OF THE PRICE PAID BY THE MARYLAND PHARMACY ASSISTANCE PROGRAM FOR EACH PRESCRIPTION DRUG PURCHASED UNDER THE PROGRAM.

(E) THE DEPARTMENT MAY ESTABLISH MECHANISMS TO:

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

(2) REIMBURSE PARTICIPATING PHARMACIES IN AN AMOUNT EQUAL TO THE MARYLAND MEDICAL ASSISTANCE PRICE MINUS THE COPAYMENT PAID BY THE ENROLLEE FOR EACH PRESCRIPTION DRUG SOLD UNDER THE PROGRAM.

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

Article - Health - General

15-124.2.

(A) THERE IS A MARYLAND MEDBANK PROGRAM.

1 (B) THE PURPOSE OF THE PROGRAM IS TO IMPROVE THE HEALTH STATUS OF
2 LOW INCOME INDIVIDUALS WHO LACK PRESCRIPTION DRUG COVERAGE BY
3 ACCESSING MEDICALLY NECESSARY PRESCRIPTION DRUGS THROUGH PATIENT
4 ASSISTANCE PROGRAMS SPONSORED BY PHARMACEUTICAL DRUG
5 MANUFACTURERS.

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

9 (2) (I) THE FOUNDATION ~~MAY~~ SHALL CONTRACT WITH ONE OR MORE
10 ~~QUALIFIED, NONPROFIT ORGANIZATIONS~~ ENTITIES TO ADMINISTER AND OPERATE
11 THE PROGRAM.

12 (II) SUBJECT TO SUBSECTION (E)(2) OF THIS SECTION, THE
13 FOUNDATION SHALL GIVE PRIORITY TO ANY LOCAL HEALTH DEPARTMENT OR AREA
14 AGENCY ON AGING WHEN SELECTING ENTITIES TO ADMINISTER AND OPERATE THE
15 PROGRAM.

16 (D) (1) THE ADMINISTRATION AND OPERATION OF THE PROGRAM SHALL BE
17 FUNDED AS PROVIDED FOR IN THE STATE BUDGET IN AN AMOUNT NOT MORE THAN
18 \$2 MILLION ANNUALLY.

19 (2) THE AMOUNT OF MONEY ALLOCATED TO ADMINISTRATIVE
20 EXPENSES FOR THE PROGRAM MAY NOT EXCEED 10 PERCENT OF THE AMOUNT THAT
21 IS ALLOCATED TO THE PROGRAM IN THE STATE BUDGET.

22 ~~(2)~~ (3) PROGRAM FUNDS SHALL BE USED IN PART TO PURCHASE
23 INTERIM SUPPLIES OF PRESCRIPTION DRUGS FOR PROGRAM ENROLLEES WHO HAVE
24 BEEN APPROVED TO PARTICIPATE IN A MANUFACTURER'S PATIENT ASSISTANCE
25 PROGRAM BUT HAVE NOT YET RECEIVED THE APPROVED PRESCRIPTION DRUG.

26 (E) (1) THE FOUNDATION SHALL ENSURE THAT THE PROGRAM IS
27 AVAILABLE TO RESIDENTS IN ~~EACH GEOGRAPHIC REGION OF THE STATE;~~ EACH OF
28 THE FOLLOWING GEOGRAPHIC REGIONS OF THE STATE:

29 (I) WESTERN MARYLAND;

30 (II) THE EASTERN SHORE;

31 (III) THE BALTIMORE METROPOLITAN AREA;

32 (IV) THE MARYLAND COUNTIES IN THE WASHINGTON, D.C.
33 METROPOLITAN AREA; AND

34 (V) SOUTHERN MARYLAND, INCLUDING ANNE ARUNDEL COUNTY.

35 (2) THE FOUNDATION SHALL USE THE MEDBANK OF MARYLAND, INC.
36 AND THE WESTERN MARYLAND PRESCRIPTION PROGRAM AS THE REGIONAL

1 OFFICES FOR THE BALTIMORE METROPOLITAN AREA AND WESTERN MARYLAND
2 RESPECTIVELY.

3 (F) ELIGIBILITY FOR THE PROGRAM SHALL BE LIMITED BY THE CRITERIA
4 ESTABLISHED BY PHARMACEUTICAL MANUFACTURERS FOR THEIR PATIENT
5 ASSISTANCE PROGRAMS.

6 15-601.

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

8 (b) "Carrier" means:

9 (1) An authorized insurer;

10 (2) A nonprofit health service plan;

11 (3) A health maintenance organization;

12 (4) A managed care organization;

13 (5) A dental plan organization; or

14 (6) Any other person that provides health benefit plans subject to
15 regulation by the State.

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

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

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

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

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

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

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

28 [(6)] (5) Pays the premium, co-payments, and deductibles for the plan.

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

30 (e) "Fund" means the Short-Term Prescription Drug Subsidy Plan Fund
31 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
14 the Insurance Article.

15 15-603.

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

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

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

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

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

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

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

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

26 (5) [Limit] SUBJECT TO SUBSECTION (D) OF THIS SECTION, LIMIT the
27 total annual benefit to [\$1,000] \$1,200 per individual.

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

31 (c) [(1) During the first 180 days of the operation of the Plan, the carrier may
32 enroll only eligible individuals who were;

1 (i) Enrolled in Medicare Plus Choice managed care programs in
2 medically underserved counties or portions of counties on or before December 31,
3 1999; and

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

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

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

16 15-604.

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

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

19 (1) THE assessment against carriers made under § 15-606(c) of the
20 Insurance Article;

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

22 (3) INTEREST AND INVESTMENT INCOME.

23 (c) The Fund is a special, continuing, nonlapsing fund that is not subject to §
24 7-302 of the State Finance and Procurement Article.

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

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

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

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

33 (g) The Secretary shall transfer the moneys in the Fund to the carrier
34 providing the Plan as the moneys are needed to provide benefits to enrollees in the
35 Plan AS DOCUMENTED IN THE CARRIER'S ANNUAL REPORT SUBMITTED TO THE

1 SECRETARY AND THE MARYLAND INSURANCE COMMISSIONER UNDER § 15-602(A)(4)
2 OF THIS SUBTITLE.

3 15-606.

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

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

9 (1) THE DEPARTMENT OF AGING;

10 (2) LOCAL HEALTH DEPARTMENTS;

11 (3) CONTINUING CARE RETIREMENT COMMUNITIES;

12 (4) PLACES OF WORSHIP;

13 (5) CIVIC ORGANIZATIONS;

14 (6) COMMUNITY PHARMACIES; AND

15 (7) ANY OTHER ENTITY THAT THE DEPARTMENT DETERMINES
16 APPROPRIATE.

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

19 (1) ASSIST ELIGIBLE INDIVIDUALS IN APPLYING FOR COVERAGE UNDER
20 THE PLAN; AND

21 (2) PROVIDE NOTICE OF THE PLAN AND ITS ELIGIBILITY
22 REQUIREMENTS TO EACH INDIVIDUAL WHO SEEKS HEALTH INSURANCE
23 COUNSELING SERVICES THROUGH THE DEPARTMENT OF AGING.

24 (D) THE DEPARTMENT SHALL ENSURE THAT THE ENTITIES USED TO
25 PUBLICIZE THE EXISTENCE OF THE PLAN UNDER SUBSECTION (B) OF THIS SECTION
26 ALSO HAVE SUFFICIENT PLAN APPLICATIONS AND ENROLLMENT MATERIALS FOR
27 DISTRIBUTION.

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

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

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~~ IN ACCORDANCE WITH § 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 **Article - Insurance**

9 15-606.

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

11 (1) an insurer;

12 (2) a nonprofit health service plan;

13 (3) a health maintenance organization; OR

14 (4) [a dental plan organization; or

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

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

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

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

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.