

SENATE BILL 236

Unofficial Copy  
J1

2001 Regular Session  
(11r1775)

**ENROLLED BILL**

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

Introduced by ~~Senators Miller, Bromwell, and Sfikas~~ **Sfikas, Astle, Blount, Colburn, Collins, Currie, DeGrange, Della, Dorman, Exum, Frosh, Green, Hafer, Hoffman, Hogan, Hollinger, Hooper, Jimeno, Kasemeyer, Kelley, Lawlah, Madden, McFadden, Middleton, Munson, Neall, Roesser, Ruben, Stoltzfus, Stone, and Teitelbaum** ~~Teitelbaum, and Forehand~~

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.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Maryland Health Care Foundation -- Statewide Access to Free or Subsidized~~  
3 ~~Maryland Prescription Pharmaceutical Products~~ **Drugs Access**  
4 **Enhancement Act of 2001**  
5 **Senior Prescription Drug Relief Act**

6 ~~FOR the purpose of requiring the Maryland Health Care Foundation to facilitate~~  
7 ~~certain access to prescription pharmaceutical products~~ **drugs** ~~to certain persons~~  
8 ~~in a certain manner; requiring the Foundation to ensure that the access~~  
9 ~~provided under this Act is available in specified regions of the State; authorizing~~  
10 ~~the Foundation to establish regional offices in certain locations; requiring the~~  
11 ~~Foundation to use specified offices as regional offices for certain regions;~~  
12 ~~authorizing the Foundation to establish a central office in a certain region;~~  
13 ~~requiring the Governor to provide certain funding to the Foundation for certain~~

1 purposes; requiring that the funding required under this Act be appropriated  
2 directly to the Foundation; requiring the Foundation to use the funding required  
3 under this Act for certain purposes; providing for the termination of this Act;  
4 ~~requiring the Foundation to study and examine certain issues and to provide~~  
5 ~~certain reports by a certain date in a certain manner; establishing the Maryland~~  
6 ~~Pharmacy Discount Program; requiring the Secretary of Health and Mental~~  
7 ~~Hygiene to administer the Maryland Pharmacy Discount Program in a certain~~  
8 ~~manner; providing for the purpose, eligibility, benefits, and mechanics of the~~  
9 ~~Maryland Pharmacy Discount Program; authorizing the Department of Health~~  
10 ~~and Mental Hygiene to recover certain costs; altering the eligibility~~  
11 ~~requirements for the Maryland Pharmacy Assistance Program; expanding the~~  
12 ~~scope of the Short Term Prescription Drug Subsidy Plan; altering the contract~~  
13 ~~term, reducing the premium, and increasing the maximum total annual benefit~~  
14 ~~under the Plan; providing for a certain resetting of certain accumulated annual~~  
15 ~~benefit amounts; altering the requirements and responsibilities of the carrier~~  
16 ~~that serves the Plan; requiring the Department to submit an application for~~  
17 ~~certain amendments to a certain Medicaid waiver for certain purposes;~~  
18 ~~conditioning the implementation of certain provisions of this Act on the approval~~  
19 ~~of a certain Medicaid waiver and on certain provisions of law and certain~~  
20 ~~authorization by Act of the General Assembly; requiring the Department to~~  
21 ~~conduct certain studies and to provide certain reports by certain dates in a~~  
22 ~~certain manner; expressing the intent of the General Assembly that pharmacies~~  
23 ~~participating in the Maryland Pharmacy Assistance Program be compensated~~  
24 ~~for certain reductions in reimbursement; requiring the Department to develop a~~  
25 ~~certain mechanism to allow the recovery of certain reductions in reimbursement~~  
26 ~~by certain pharmacies under certain circumstances; requiring the Comptroller~~  
27 ~~of the Treasury to conduct a certain study, in consultation with the Department,~~  
28 ~~and to provide a certain report by a certain date in a certain manner; requiring~~  
29 ~~the Secretary to adopt certain regulations for certain purposes by a certain date;~~  
30 ~~requiring the Secretary and a certain carrier to modify a certain contract;~~  
31 ~~requiring the Secretary to suspend the implementation or application of certain~~  
32 ~~provisions of law under certain circumstances; requiring the Department of~~  
33 ~~Aging to serve as a central point of referral for the general public for certain~~  
34 ~~matters under certain circumstances; requiring the Department of Aging to~~  
35 ~~provide a certain report by a certain date in a certain manner; providing for the~~  
36 ~~funding of certain provisions of this Act under certain circumstances; providing~~  
37 ~~for the contingent effect of certain provisions of this Act; providing for the~~  
38 ~~termination of certain provisions of this Act under certain circumstances;~~  
39 ~~providing for the delayed effect of certain provisions of this Act; providing for the~~  
40 ~~delayed implementation of certain provisions of this Act; altering certain~~  
41 ~~definitions; repealing certain definitions; and generally relating to the~~  
42 ~~Foundation and statewide enhancement of access to prescription~~  
43 ~~pharmaceutical products drugs in Maryland.~~

44 BY adding to

45 Article – Health – General

46 Section 15-103(d) and 15-124.1

47 Annotated Code of Maryland

1 ~~(2000 Replacement Volume)~~

2 ~~BY repealing and reenacting, with amendments,~~

3 ~~Article Health General~~

4 ~~Section 15-124(a) and 15-601 through 15-603, inclusive~~

5 ~~Annotated Code of Maryland~~

6 ~~(2000 Replacement Volume)~~

7 ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~

8 ~~MARYLAND, That:~~

9 (a) ~~The Maryland Health Care Foundation shall, in a manner consistent with~~  
 10 ~~this section, facilitate access to free or subsidized prescription pharmaceutical~~  
 11 ~~products drugs for residents of the State who are eligible for assistance in obtaining~~  
 12 ~~prescription pharmaceutical products drugs;~~

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

15 (1) ~~Western Maryland;~~

16 (2) ~~the Eastern Shore;~~

17 (3) ~~the Baltimore Metropolitan area;~~

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

20 (5) ~~Southern Maryland;~~

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

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

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

28 (f) ~~The Governor shall provide funding in the annual budget in an amount:~~

29 (1) ~~sufficient to enable the Foundation to satisfy the requirements of this~~  
 30 ~~section; and~~

31 (2) ~~not less than \$12 million annually;~~

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

1 (h) The Foundation shall use the funding provided under subsection (f) of this  
2 section to satisfy the requirements of this section, including the establishment and  
3 maintenance of administrative infrastructure and the provision of short term  
4 medication while applications for assistance are pending.

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

7 Article – Health – General

8 15-103.

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

13 15-124.1.

14 ~~(A) THERE IS A MARYLAND PHARMACY DISCOUNT PROGRAM WITHIN THE~~  
15 ~~MARYLAND MEDICAL ASSISTANCE PROGRAM.~~

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

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

24 ~~(D) THE MARYLAND PHARMACY DISCOUNT PROGRAM SHALL BE OPEN TO:~~

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

27 ~~(2) OTHER INDIVIDUALS WHO:~~

28 ~~(i) HAVE AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 300~~  
29 ~~PERCENT OF THE FEDERAL POVERTY GUIDELINES; AND~~

30 ~~(ii) DO NOT HAVE OTHER PUBLIC OR PRIVATE PRESCRIPTION DRUG~~  
31 ~~COVERAGE.~~

32 ~~(E) (1) ENROLLEES OF THE MARYLAND PHARMACY DISCOUNT PROGRAM~~  
33 ~~SHALL BE ENTITLED TO PURCHASE MEDICALLY NECESSARY PRESCRIPTION DRUGS~~  
34 ~~FROM ANY PHARMACY THAT PARTICIPATES IN THE MARYLAND MEDICAL~~  
35 ~~ASSISTANCE PROGRAM AT A PRICE THAT IS EQUAL TO BASED ON THE PRICE PAID BY~~

~~1 THE MARYLAND MEDICAL ASSISTANCE PROGRAM, MINUS AMOUNTS ATTRIBUTABLE  
2 TO ANY FEDERALLY MANDATED MANUFACTURERS' REBATES.~~

~~3 (2) THE DEPARTMENT MAY ESTABLISH A MECHANISM TO RECOVER THE  
4 ADMINISTRATIVE COSTS OF THE MARYLAND PHARMACY DISCOUNT PROGRAM.~~

~~5 (F) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, AN INDIVIDUAL  
6 WHO MEETS THE OTHER ELIGIBILITY CRITERIA ESTABLISHED UNDER THIS SECTION  
7 AND ANY REGULATIONS ADOPTED IN ACCORDANCE WITH THIS SECTION MAY  
8 ENROLL IN THE MARYLAND PHARMACY DISCOUNT PROGRAM, IF THE INDIVIDUAL IS  
9 OR HAS BEEN:~~

~~10 (1) ENROLLED IN THE MARYLAND PHARMACY ASSISTANCE PROGRAM  
11 ESTABLISHED UNDER § 15-124 OF THIS SUBTITLE; OR~~

~~12 (2) A BENEFICIARY OF A FREE OR SUBSIDIZED PRESCRIPTION DRUG  
13 PROGRAM FACILITATED THROUGH THE MARYLAND HEALTH CARE FOUNDATION.~~

~~14 (G) TO THE EXTENT THAT AN INSTITUTIONAL PHARMACY SERVES PATIENTS  
15 IN HOSPITALS AND RESIDENTS IN NURSING HOMES, THE INSTITUTIONAL PHARMACY  
16 MAY NOT BE REQUIRED TO PARTICIPATE IN THE MARYLAND PHARMACY DISCOUNT  
17 PROGRAM.~~

~~18 (H) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
19 MARYLAND PHARMACY DISCOUNT PROGRAM.~~

~~20 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
21 read as follows:~~

~~22 **Article – Health – General**~~

~~23 15-124.~~

~~24 (a) (1) The Department shall maintain a Maryland Pharmacy Assistance  
25 Program for low income individuals whose:~~

~~26 (i) Assets are not more than [1.5] 3 times the amount of  
27 accountable resources according to the asset schedule of the Maryland Medical  
28 Assistance Program; and~~

~~29 (ii) Gross annual income does not exceed[:~~

~~30 1: \$4,600 plus \$500 for each individual over 1 in a family  
31 unit; and~~

~~32 2: An annual increase set by the Secretary under paragraph  
33 (2)(ii)4 of this subsection] 120 PERCENT OF THE FEDERAL POVERTY GUIDELINES.~~

~~34 (2) (i) 1: In this paragraph the following words have the meanings  
35 indicated.~~

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

4 ~~3:~~ "Sheltered workshop" means a workshop licensed by the  
 5 Developmental Disabilities Administration under Title 7, Subtitle 9 of this article.

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

8 ~~1:~~ In order to determine eligibility for the Maryland  
 9 Pharmacy Assistance Program, deduct any income disregards from the countable  
 10 gross income of a unit that contains a disabled individual;

11 ~~2:~~ Define excluded assets; AND

12 ~~3:~~ Establish a family unit structure; and

13 ~~4:~~ Beginning July 1, 1985, increase annually at the time  
 14 Social Security benefits are increased, rounded to the next highest even \$50 level, the  
 15 income level within which an individual is eligible for benefits under the Maryland  
 16 Pharmacy Assistance Program by the larger of:

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

21 ~~B:~~ The dollar amount by which the medical assistance income  
 22 schedules are increased by the State;

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

25 **Article - Health - General**

26 ~~15-601.~~

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

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

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

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

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

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

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

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

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

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

5 ~~(2)~~ Is eligible for Medicare Plus Choice, as defined under Title XVIII of  
6 the federal Social Security Act, as amended;

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

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

10 ~~[(5)]~~ ~~(4)~~ Is not enrolled in a Medicare Plus Choice managed care  
11 program that provides prescription drug benefits at the time that the individual  
12 applies for enrollment in the Plan; and

13 ~~[(6)]~~ ~~(5)~~ Pays the premium, co-payments, and deductibles for the Plan.

14 ~~(d)~~ "Enrollee" means an individual enrolled in the Plan.

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

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

18 ~~(1)~~ Allegany County;

19 ~~(2)~~ Calvert County;

20 ~~(3)~~ Caroline County;

21 ~~(4)~~ Carroll County;

22 ~~(5)~~ Cecil County;

23 ~~(6)~~ Charles County;

24 ~~(7)~~ Dorchester County;

25 ~~(8)~~ Frederick County;

26 ~~(9)~~ Garrett County;

27 ~~(10)~~ Kent County;

28 ~~(11)~~ Queen Anne's County;

29 ~~(12)~~ St. Mary's County;

1 ~~(13) Somerset County;~~

2 ~~(14) Talbot County;~~

3 ~~(15) Washington County;~~

4 ~~(16) Wicomico County; or~~

5 ~~(17) Worcester County.~~

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

9 ~~[(h)] (F) "Plan" means the Short Term Prescription Drug Subsidy Plan~~  
 10 ~~established under this subtitle.~~

11 ~~15-602.~~

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

14 ~~(1) Sign a contract with the Secretary agreeing to provide prescription~~  
 15 ~~drug benefits to eligible individuals for a period of at least [2 years] 1 YEAR;~~

16 ~~(2) Except as otherwise required under State or federal law, agree not to~~  
 17 ~~alter the level or types of benefits provided under the Plan throughout the [2-year]~~  
 18 ~~1-YEAR period of the contract;~~

19 ~~(3) Agree to hold enrollee premiums at the same level throughout the~~  
 20 ~~[2-year] 1-YEAR contract period;~~

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

23 ~~[(5)] (4) Make all performance review and financial records available for~~  
 24 ~~review by the Secretary and the Maryland Insurance Administration.~~

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

28 ~~15-603.~~

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

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

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



1           ~~(3)     Set the deductible charged an enrollee at \$50 per year per individual;~~  
 2           ~~(4)     Limit the co-pay charged an enrollee to:~~  
 3                 ~~(i)     \$10 for a prescription for a generic drug;~~  
 4                 ~~(ii)    \$20 for a prescription for a preferred brand name drug; and~~  
 5                 ~~(iii)   \$35 for a prescription for a nonpreferred brand name drug; and~~  
 6           ~~(5)     [Limit] SUBJECT TO SUBSECTION (D) OF THIS SECTION, LIMIT the~~  
 7 ~~total annual benefit to [\$1,000] \$1,200 per individual.~~

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

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

13                     ~~(i)     Enrolled in Medicare Plus Choice managed care programs in~~  
 14 ~~medically underserved counties or portions of counties on or before December 31,~~  
 15 ~~1999; and~~

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

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

19          ~~(3)]     The carrier shall work with the Secretary and the Maryland~~  
 20 ~~Department of Aging to provide notice, through the written and electronic media and~~  
 21 ~~other means, to the eligible individuals [eligible for enrollment in the first 180 days of~~  
 22 ~~the operation of the Plan,] of the availability of the Plan [and of the enrollment~~  
 23 ~~preference to be granted].~~

24          ~~(D)     THE CARRIER, EFFECTIVE JULY 1, 2001 AND FOR THE YEAR BEGINNING ON~~  
 25 ~~JULY 1, 2001, FOR EACH ENROLLEE, SHALL DISREGARD, FOR THE PURPOSE OF~~  
 26 ~~CALCULATING THE ENROLLEE'S PROGRESS TOWARD THE TOTAL ANNUAL BENEFIT~~  
 27 ~~LIMIT, ALL BENEFIT AMOUNTS REALIZED UNDER THE PLAN THROUGH JUNE 30, 2001.~~

28          ~~SECTION 2. SECTION 5. AND BE IT FURTHER ENACTED, That the~~  
 29 ~~Department of Health and Mental Hygiene:~~

30           ~~(a)     (1)     shall submit an application to the federal Health Care Financing~~  
 31 ~~Administration for an amendment to the State's existing § 1115 demonstration waiver~~  
 32 ~~necessary to implement the Maryland Pharmacy Discount Program established under~~  
 33 ~~§ 15-124.1 of the Health - General Article as enacted by Section 2 of this Act; and~~

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

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

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

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

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

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

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

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

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

27 ~~SECTION 6. AND BE IT FURTHER ENACTED, That the Department of~~  
28 ~~Health and Mental Hygiene shall:~~

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

36 ~~(b) on or before December 1, 2001, report to the Governor and, in accordance~~  
37 ~~with § 2-1246 of the State Government Article, to the General Assembly on any~~  
38 ~~findings and recommendations that result from the study required under subsection~~  
39 ~~(a) of this section, including:~~

1           ~~(1)     the expected impact of implementing such a mechanism on~~  
2 ~~participation in the Maryland Pharmacy Discount Program;~~

3           ~~(2)     whether federal funds could be used to finance such a mechanism;~~

4           ~~(3)     a recommendation on the appropriate financing of such a~~  
5 ~~mechanism; and~~

6           ~~(4)     a cost-benefit analysis of any recommendations.~~

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

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

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

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

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

20     ~~SECTION 8. AND BE IT FURTHER ENACTED, That:~~

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

24          ~~(b)     the study shall include a consideration of:~~

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

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

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

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

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

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

3 ~~SECTION 9. AND BE IT FURTHER ENACTED, That:~~

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

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

12 ~~(1) the number and demographic characteristics, including area of~~  
13 ~~residence, economic status, and insured status, of the individuals who would be~~  
14 ~~eligible to utilize available prescription drug pricing programs through the federally~~  
15 ~~qualified health centers in the State;~~

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

19 ~~(3) recommendations regarding:~~

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

23 ~~(ii) if the recommendation under subparagraph (i) of this~~  
24 ~~paragraph is affirmative;~~

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

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

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

33 ~~(4) the cost benefit analysis of any recommendations under paragraph~~  
34 ~~(3)(ii) of this section.~~

35 ~~SECTION 10. AND BE IT FURTHER ENACTED, That the Maryland Health~~  
36 ~~Care Foundation shall report, in accordance with § 2-1246 of the State Government~~  
37 ~~Article, to the General Assembly, and to the Governor, on or before December 1, 2001,~~

1 and annually thereafter, on its progress in fulfilling the obligations imposed in  
2 Section 4 of this Act, including:

3 (a) The number and demographic characteristics of the State residents served  
4 by the Foundation under this Act;

5 (b) The types and approximate value of prescription pharmaceutical products  
6 ~~drugs~~ accessed under this Act; and

7 (c) The nature and extent of outreach performed to inform State residents of  
8 the assistance available through the Foundation.

9 ~~SECTION 11. AND BE IT FURTHER ENACTED, That the Secretary of Health  
10 and Mental Hygiene shall adopt regulations not later than June 30, 2001 to  
11 implement, effective July 1, 2001, the provisions of Section 4 of this Act.~~

12 ~~SECTION 12. AND BE IT FURTHER ENACTED, That the Secretary of Health  
13 and Mental Hygiene and the carrier that is required to provide the Short Term  
14 Prescription Drug Subsidy Plan under § 15-606(c) of the Insurance Article shall  
15 agree, not later than June 30, 2001, to modify the contract required under Chapter  
16 565 of the Acts of the General Assembly of 2000 to enable the implementation,  
17 effective July 1, 2001, of the provisions of Section 4 of this Act.~~

18 ~~SECTION 13. AND BE IT FURTHER ENACTED, That, if the Secretary of  
19 Health and Mental Hygiene is notified by the federal Health Care Financing  
20 Administration that any provision of Section 4 of this Act will invalidate the  
21 Maryland Medicare Waiver or cause a reduction in the State's eligibility for federal  
22 funding of Medicaid, the Secretary may suspend the implementation or operation of  
23 the provision of Section 4 of this Act that is the subject of the notification.~~

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

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

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

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

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

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

7 ~~SECTION 17. AND BE IT FURTHER ENACTED, That it is the intent of the~~  
8 ~~General Assembly that the Department of Health and Mental Hygiene utilize not less~~  
9 ~~than \$12 million in additional funding to expand the Maryland Pharmacy Assistance~~  
10 ~~Program. The Department of Health and Mental Hygiene shall report, on or before~~  
11 ~~January 15, 2002, to the Governor, and in accordance with § 2-1246 of the State~~  
12 ~~Government Article, to the General Assembly on:~~

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

15 ~~(2) any recommendations for further expansion of the Maryland~~  
16 ~~Pharmacy Assistance Program.~~

17 ~~SECTION 16. 18. AND BE IT FURTHER ENACTED, That Section 4 of this Act~~  
18 ~~shall take effect July 1, 2001. On the earlier of the end of June 30, 2002, or the~~  
19 ~~availability of comparable prescription pharmacy benefits provided by Medicare~~  
20 ~~under Title XVIII of the Social Security Act, as amended, with no further action~~  
21 ~~required by the General Assembly, Section 4 of this Act shall be abrogated and of no~~  
22 ~~further force and effect. If comparable prescription pharmacy benefits are provided by~~  
23 ~~Medicare under Title XVIII of the Social Security Act, the Secretary of Health and~~  
24 ~~Mental Hygiene shall notify the Department of Legislative Services, 90 State Circle,~~  
25 ~~Annapolis, Maryland 21401 not later than 90 days before prescription drug benefits~~  
26 ~~are to be provided.~~

27 ~~SECTION 17. 19. AND BE IT FURTHER ENACTED, That for fiscal year 2002,~~  
28 ~~the State Comptroller of the Treasury shall distribute to the Maryland Health Care~~  
29 ~~Foundation the revenue collected as a result of the taking effect of Chapter \_\_\_\_\_ (H.B.~~  
30 ~~828) of the Acts of the General Assembly of 2001 in a manner to ensure that:~~

31 ~~(a) (1) not less than 50,000 individuals will be served under Section 1 of this~~  
32 ~~Act; but~~

33 ~~(2) notwithstanding the goal specified in paragraph (1) of this~~  
34 ~~subsection, the total distributed does not exceed \$8 million; and~~

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

38 ~~SECTION 18. 20. AND BE IT FURTHER ENACTED, That Sections 1, 3, 10, and~~  
39 ~~17-19 of this Act shall take effect July 1, 2001, contingent on the taking effect of~~  
40 ~~Chapter \_\_\_\_\_ (H.B. 828) of the Acts of the General Assembly of 2001, and if Chapter~~

1 ~~\_\_\_\_\_ does not become effective, Sections 1, 3, 10, and 17-19 of this Act shall be null and~~  
2 ~~void without the necessity of further action by the General Assembly.~~

3 ~~SECTION 19. 21. AND BE IT FURTHER ENACTED, That Section 15 of this Act~~  
4 ~~shall take effect June 1, 2001, contingent on the enactment of Chapter \_\_\_\_\_ (H.B. 828)~~  
5 ~~of the Acts of the General Assembly of 2001, and, if Chapter \_\_\_\_\_ is not enacted,~~  
6 ~~Section 15 of this Act shall be null and void without the necessity of further action by~~  
7 ~~the General Assembly.~~

8 ~~SECTION 3. 20, 22. AND BE IT FURTHER ENACTED, That Section 13 of this~~  
9 ~~Act shall take effect July 1, 2001. It shall remain effective for a period of 3 years and,~~  
10 ~~at the end of June 30, 2004, with no further action required by the General Assembly,~~  
11 ~~this Act shall be abrogated and of no further force and effect.~~

12 ~~SECTION 21. 23. AND BE IT FURTHER ENACTED, That, except as provided~~  
13 ~~in Sections 16, 18, 19, and 20-18, 20, 21, and 22 of this Act, this Act shall take effect~~  
14 ~~June 1, 2001.~~

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

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

20 BY adding to

21 Article - Health - General  
22 Section 15-103(d), 15-124.1, 15-124.2, and 15-606  
23 Annotated Code of Maryland  
24 (2000 Replacement Volume)

25 BY repealing and reenacting, with amendments,

26 Article - Health - General  
27 Section 15-124(e), 15-601 through 15-604, inclusive, and 20-506  
28 Annotated Code of Maryland  
29 (2000 Replacement Volume)

30 BY repealing and reenacting, with amendments,

31 Article - Insurance  
32 Section 15-606(a) and (c)  
33 Annotated Code of Maryland  
34 (1997 Volume and 2000 Supplement)

35 BY repealing and reenacting, with amendments,

36 Chapter 565 of the Acts of the General Assembly of 2000  
37 Section 2

38 BY repealing

39 Chapter 565 of the Acts of the General Assembly of 2000  
40 Section 4 and 5



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 MARYLAND MEDBANK PROGRAM  
14 ESTABLISHED UNDER § 15-124.2 OF THIS SUBTITLE AND THE SHORT-TERM  
15 PRESCRIPTION DRUG SUBSIDY PLAN ESTABLISHED UNDER SUBTITLE 6 OF THIS  
16 TITLE.

17 15-124.1.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
19 INDICATED.

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

22 (3) "PROGRAM" MEANS THE MARYLAND PHARMACY DISCOUNT  
23 PROGRAM ESTABLISHED UNDER THIS SECTION.

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

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

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

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

34 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION,  
35 ENROLLMENT IN THE MARYLAND MEDBANK PROGRAM ESTABLISHED UNDER §  
36 15-124.2 OF THIS SUBTITLE OR THE MARYLAND PHARMACY ASSISTANCE PROGRAM

1 ESTABLISHED UNDER § 15-124 OF THIS SUBTITLE DOES NOT DISQUALIFY AN  
 2 INDIVIDUAL FROM BEING ELIGIBLE FOR THE PROGRAM.

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

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

17 (G) THE DEPARTMENT MAY ESTABLISH MECHANISMS TO:

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

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

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

25 (H) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
 26 PROGRAM.

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

29 Article - Health - General

30 15-103.

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

35 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
 36 INDICATED.

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

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

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

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

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

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

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

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

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

29     (F)     THE DEPARTMENT MAY ESTABLISH MECHANISMS TO:

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

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

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

1 (G) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
2 PROGRAM.

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

5 Article - Health - General

6 15-124.2.

7 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
8 INDICATED.

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

11 (3) "PROGRAM" MEANS THE MARYLAND MEDBANK PROGRAM  
12 ESTABLISHED UNDER THIS SECTION.

13 (B) THERE IS A MARYLAND MEDBANK PROGRAM.

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

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

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

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

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

29 (F) (1) THE FOUNDATION SHALL ENSURE THAT THE PROGRAM IS  
30 AVAILABLE TO RESIDENTS IN EACH OF THE FOLLOWING GEOGRAPHIC REGIONS OF  
31 THE STATE:

32 (I) WESTERN MARYLAND;

33 (II) THE EASTERN SHORE;

34 (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 MEDBANK OF MARYLAND, INC. AND  
5 THE WESTERN MARYLAND PRESCRIPTION PROGRAM AS THE REGIONAL OFFICES  
6 FOR THE BALTIMORE METROPOLITAN AREA AND WESTERN MARYLAND,  
7 RESPECTIVELY.

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

11 (H) (1) THE FOUNDATION SHALL REQUIRE DETAILED FINANCIAL REPORTS  
12 AT LEAST QUARTERLY FROM THE ENTITIES THAT OPERATE THE PROGRAM.

13 (2) THE FOUNDATION SHALL RELEASE FUNDS TO THE ENTITIES THAT  
14 OPERATE THE PROGRAM AS NEEDED AND JUSTIFIED BY THE QUARTERLY REPORTS  
15 FILED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.

16 (I) ON OR BEFORE DECEMBER 1, 2000, AND ANNUALLY THEREAFTER, THE  
17 FOUNDATION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §  
18 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON THE  
19 STATUS OF THE MARYLAND MEDBANK PROGRAM ESTABLISHED UNDER THIS  
20 SECTION, INCLUDING:

21 (1) THE NUMBER AND DEMOGRAPHIC CHARACTERISTICS OF THE STATE  
22 RESIDENTS SERVED BY THE PROGRAM;

23 (2) THE TYPES AND RETAIL VALUE OF PRESCRIPTION DRUGS ACCESSED  
24 THROUGH THE PROGRAM;

25 (3) THE NATURE AND EXTENT OF OUTREACH PERFORMED TO INFORM  
26 STATE RESIDENTS OF THE ASSISTANCE AVAILABLE THROUGH THE PROGRAM; AND

27 (4) THE TOTAL VOLUME AND RETAIL VALUE OF EACH BRAND NAME  
28 DRUG, BY MANUFACTURER, ACCESSED THROUGH THE PROGRAM.

29 20-506.

30 (a) The Foundation shall:

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

34 (2) Provide grants to programs that:

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

1 (ii) Expand access to health care services for uninsured individuals;

2 or

3 (iii) Provide or subsidize health insurance coverage for uninsured  
4 individuals;

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

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

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

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

13 (7) Develop criteria for evaluating the effectiveness of programs receiving  
14 grants;

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

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

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

19 (11) Adopt bylaws for the regulation of its affairs and the conduct of its  
20 business;

21 (12) ADMINISTER THE MARYLAND MEDBANK PROGRAM IN ACCORDANCE  
22 WITH § 15-124.2 OF THIS ARTICLE;

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

25 ~~[(13)]~~ (14) Report annually to the Governor and, subject to § 2-1246 of the  
26 State Government Article, to the General Assembly, on its activities during the  
27 preceding year, including an evaluation of the effectiveness of funded programs,  
28 together with any recommendations or requests deemed appropriate to further the  
29 purposes of the Foundation.

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

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

Article - Health - General

2 15-601.

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

4 (b) "Carrier" means:

5 (1) An authorized insurer;

6 (2) A nonprofit health service plan; OR

7 (3) A health maintenance organization[;

8 (4) A managed care organization;

9 (5) A dental plan organization; or

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

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

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

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

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

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

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

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

24 [(6)] (5) Pays the premium[, co-payments, and deductibles] AND  
25 COPAYMENTS for the plan.

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

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

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

30 (1) Allegany County;

1           (2)     Calvert County;

2           (3)     Caroline County;

3           (4)     Carroll County;

4           (5)     Cecil County;

5           (6)     Charles County;

6           (7)     Dorchester County;

7           (8)     Frederick County;

8           (9)     Garrett County;

9           (10)    Kent County;

10          (11)    Queen Anne's County;

11          (12)    St. Mary's County;

12          (13)    Somerset County;

13          (14)    Talbot County;

14          (15)    Washington County;

15          (16)    Wicomico County; or

16          (17)    Worcester County.

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

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

22        15-602.

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

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

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



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

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

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

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

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

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

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

18 15-603.

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

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

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

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

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[;  
31 and].

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

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

4 ~~[(c)]~~ (D) ~~[(1)]~~ During the first 180 days of the operation of the Plan, the carrier  
 5 may 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, 1999;  
 8 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, THE CARRIER SHALL DISREGARD  
 17 ALL BENEFIT AMOUNTS REALIZED UNDER THE PLAN BY EACH ENROLLEE THROUGH  
 18 JUNE 30, 2001, FOR THE PURPOSE OF CALCULATING THE ENROLLEE'S PROGRESS  
 19 TOWARD THE TOTAL ANNUAL BENEFIT LIMIT FOR THE YEAR BEGINNING JULY 1,  
 20 2001.

21 15-604.

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

23 (b) The Fund contains:

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 providing  
4 the Plan as the moneys are needed to provide benefits to enrollees in the Plan AS  
5 DOCUMENTED IN THE CARRIER'S QUARTERLY REPORT SUBMITTED TO THE  
6 SECRETARY AND THE MARYLAND INSURANCE ADMINISTRATION 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 POTENTIALLY ELIGIBLE INDIVIDUALS WHO SEEK HEALTH  
28 INSURANCE 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 HAVE SUFFICIENT PLAN APPLICATIONS AND ENROLLMENT MATERIALS FOR  
32 DISTRIBUTION.

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

1 (F) THE OUTREACH PROGRAM FOR THE PLAN SHALL BE FUNDED THROUGH  
 2 THE FUND.

3 Article - Insurance

4 15-606.

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

6 (1) an insurer;

7 (2) a nonprofit health service plan;

8 (3) a health maintenance organization; OR

9 (4) [a dental plan organization; or

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

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

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

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

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

34 (iii) 1. The last carrier to provide Medicare Plus Choice coverage  
 35 in medically underserved counties [or portions of counties] shall use an amount equal  
 36 to the contribution derived under subparagraph (ii) of this paragraph to provide the

1 Short-Term Prescription Drug Subsidy Plan created under Title 15, Subtitle 6 of the  
 2 Health - General Article.

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

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

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

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

16   Chapter 565 of the Acts of 2000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26           (5)     recommendations regarding:

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

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

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

33                            2.     the best option or options for financing any method or  
34 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.