
By: **Senators Hollinger, Blount, Bromwell, Colburn, Collins, Frosh, Green,
Hoffman, Jimeno, Kelley, Lawlah, Middleton, Munson, Neall, Ruben,
Sfikas, Stone, and Teitelbaum**

Introduced and read first time: January 24, 2001
Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Catastrophic Pharmaceutical Expense Program**

3 FOR the purpose of establishing the Maryland Catastrophic Pharmaceutical Expense
4 Program for certain low-income individuals; providing eligibility requirements
5 for the Program; exempting certain expenditures on prescription drugs from the
6 annual income calculation; requiring the Department of Health and Mental
7 Hygiene to provide certain written notification to ineligible individuals;
8 providing for the medications to be covered under the Program; providing for the
9 payments to be made under the Program; requiring the Department to
10 administer the Program in consultation with certain other units of government;
11 requiring the Department to adopt certain regulations implementing the
12 Program; requiring the Department to produce a consumer guide on certain
13 prescription drug issues; requiring an annual report to the General Assembly;
14 and generally relating to the Maryland Catastrophic Pharmaceutical Expense
15 Program.

16 BY adding to
17 Article - Health - General
18 Section 15-701 through 15-703, inclusive, to be under the new subtitle "Subtitle
19 7. Maryland Catastrophic Pharmaceutical Expense Program"
20 Annotated Code of Maryland
21 (2000 Replacement Volume)

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

1 **Article - Health - General**

2 SUBTITLE 7. MARYLAND CATASTROPHIC PHARMACEUTICAL EXPENSE PROGRAM.

3 15-701.

4 IN THIS SUBTITLE, "PROGRAM" MEANS THE MARYLAND CATASTROPHIC
5 PHARMACEUTICAL EXPENSE PROGRAM.

6 15-702.

7 (A) THERE IS A MARYLAND CATASTROPHIC PHARMACEUTICAL EXPENSE
8 PROGRAM IN THE DEPARTMENT.9 (B) THE PROGRAM PROVIDES FINANCIAL ASSISTANCE TO LOW-INCOME
10 MEDICARE-ELIGIBLE INDIVIDUALS WITH CATASTROPHIC PHARMACEUTICAL
11 EXPENSES.12 (C) ELIGIBILITY UNDER THE PROGRAM IS LIMITED TO ANY INDIVIDUAL WHO
13 DOES NOT QUALIFY FOR ASSISTANCE UNDER THE MEDICAL ASSISTANCE PROGRAM
14 OR THE MARYLAND PHARMACY ASSISTANCE PROGRAM AND WHO:

15 (1) IS ELIGIBLE TO RECEIVE MEDICARE;

16 (2) HAS A FAMILY INCOME THAT IS AT OR BELOW 250% OF THE FEDERAL
17 POVERTY LEVEL; AND18 (3) (I) 1. DOES NOT HAVE OTHER INSURANCE COVERAGE FOR
19 PRESCRIPTION DRUGS; AND20 2. HAS OUT-OF-POCKET PRESCRIPTION EXPENSES THAT
21 EXCEED OR ARE PROJECTED TO EXCEED 10% OF THE INDIVIDUAL'S ANNUAL INCOME,
22 AFTER PAYMENTS BY OTHER LIABLE ENTITIES ARE DEDUCTED; OR23 (II) 1. HAS INSURANCE COVERAGE FOR PRESCRIPTION DRUGS;
24 AND25 2. HAS OUT-OF-POCKET PRESCRIPTION EXPENSES THAT
26 EXCEED OR ARE PROJECTED TO EXCEED 10% OF THE INDIVIDUAL'S ANNUAL INCOME
27 AFTER PAYMENTS UNDER THE COVERAGE AND PAYMENTS BY OTHER LIABLE
28 ENTITIES ARE DEDUCTED.29 (4) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (2) OF THIS
30 SUBSECTION, AN INDIVIDUAL MAY BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM
31 IF THE INDIVIDUAL SUBMITS EVIDENCE SATISFACTORY TO THE DEPARTMENT THAT
32 THE INDIVIDUAL HAS PAID A TOTAL AMOUNT FOR PRESCRIPTION DRUGS, WHICH
33 WAS NOT OTHERWISE COVERED, DURING THE CALENDAR YEAR IN WHICH THE
34 INDIVIDUAL HAS SUBMITTED AN APPLICATION FOR ASSISTANCE UNDER THE
35 PROGRAM THAT IS EQUAL TO OR GREATER THAN THE AMOUNT BY WHICH THE

1 ANNUAL INCOME OF THE INDIVIDUAL EXCEEDS THE INCOME LIMITS ESTABLISHED
2 UNDER THIS SUBSECTION.

3 (D) IF AN INDIVIDUAL IS DETERMINED TO BE INELIGIBLE TO PARTICIPATE IN
4 THE PROGRAM BECAUSE THE INDIVIDUAL HAS AN ANNUAL INCOME IN EXCESS OF
5 THE INCOME LIMITS ESTABLISHED UNDER THIS SUBSECTION, THE DEPARTMENT
6 SHALL NOTIFY THE INDIVIDUAL IN WRITING OF:

7 (1) THE AMOUNT BY WHICH THE ANNUAL INCOME OF THE INDIVIDUAL
8 EXCEEDS THE INCOME LIMITS ESTABLISHED UNDER THIS SUBSECTION; AND

9 (2) THE INDIVIDUAL'S ABILITY TO QUALIFY FOR ELIGIBILITY UNDER
10 THE PROGRAM BY SUBMITTING EVIDENCE SATISFACTORY TO THE DEPARTMENT
11 THAT THE INDIVIDUAL HAS PAID A TOTAL AMOUNT FOR PRESCRIPTION DRUGS
12 DURING THE CALENDAR YEAR IN WHICH THE INDIVIDUAL HAS SUBMITTED AN
13 APPLICATION FOR ASSISTANCE THAT IS EQUAL TO OR GREATER THAN THE AMOUNT
14 BY WHICH THE ANNUAL INCOME OF THE INDIVIDUAL EXCEEDS THE INCOME LIMITS.

15 (E) MEDICATIONS COVERED UNDER THE PROGRAM ARE THOSE COVERED BY
16 THE MARYLAND PHARMACY ASSISTANCE PROGRAM UNDER § 15-124(B) OF THIS
17 TITLE.

18 (F) REIMBURSEMENTS AND CO-PAYS MADE UNDER THE PROGRAM SHALL BE
19 PROVIDED IN ACCORDANCE WITH THE MARYLAND PHARMACY ASSISTANCE
20 PROGRAM UNDER § 15-124(B) OF THIS TITLE.

21 (G) (1) THE PROGRAM SHALL MAKE PAYMENTS FOR PRESCRIPTION DRUGS
22 ON BEHALF OF ELIGIBLE INDIVIDUALS.

23 (2) THE PROGRAM SHALL PAY THE TOTAL AMOUNT OF PRESCRIPTION
24 DRUG EXPENSES ABOVE 10% OF AN INDIVIDUAL'S ANNUAL INCOME.

25 (H) (1) THE PROGRAM SHALL BE ADMINISTERED BY THE DEPARTMENT, IN
26 CONSULTATION WITH THE DEPARTMENT OF AGING.

27 (2) TO THE EXTENT POSSIBLE, THE DEPARTMENT SHALL ADMINISTER
28 THE PROGRAM, MAKING ELIGIBILITY DETERMINATIONS, PROCESSING CLAIMS, AND
29 ISSUING AND RECEIVING REPORTS, USING EXISTING ADMINISTRATIVE
30 MECHANISMS, INCLUDING THE MARYLAND PHARMACY ASSISTANCE PROGRAM.

31 (3) THE DEPARTMENT AND THE DEPARTMENT OF AGING SHALL
32 DEVELOP A SINGLE-PAGE APPLICATION FOR THE PROGRAM.

33 (I) (1) BENEFIT PAYMENTS UNDER THE PROGRAM ARE NOT AN
34 ENTITLEMENT.

35 (2) THE PROGRAM SHALL BE THE PAYOR OF LAST RESORT.

1 15-703.

2 (A) THE DEPARTMENT SHALL DEVELOP AND ISSUE A FREE CONSUMER GUIDE
3 TO HELP RESIDENTS REDUCE PRESCRIPTION DRUG COSTS BY PURCHASING AND
4 USING DRUGS WISELY.

5 (B) THE GUIDE SHALL INCLUDE SECTIONS ON:

6 (1) GENERIC DRUGS;

7 (2) RARE DRUGS AND SERIOUS ILLNESSES;

8 (3) ORDERING DRUGS ON THE INTERNET;

9 (4) BUYING DRUGS IN FOREIGN COUNTRIES; AND

10 (5) QUESTIONS THAT PATIENTS CAN ASK PHYSICIANS OR PHARMACISTS,
11 INCLUDING:

12 (I) POTENTIAL SIDE EFFECTS OF MEDICATIONS;

13 (II) STORAGE OF MEDICATIONS; AND

14 (III) MEDICATION REFILLS.

15 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1 of
16 each year for the first 3 years of the Maryland Catastrophic Pharmaceutical Expense
17 Program established under Section 1 of this Act, the Department of Health and
18 Mental Hygiene shall submit an annual report to the General Assembly, in
19 accordance with § 2-1246 of the State Government Article, on the operation of the
20 Program. The report shall include information on the number of individuals served,
21 use rates, and expenditures under the Program. The report also shall address the
22 impact of the Program on reducing unmet pharmaceutical drug needs among the
23 elderly and shall recommend programmatic changes if appropriate.

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2001.