
By: **Senator Sfikas**
Introduced and read first time: February 19, 2001
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Pharmacy Discount Drug Program**

3 FOR the purpose of establishing a Maryland Pharmacy Discount Drug Program
4 within the Maryland Medical Assistance Program in the Department of Health
5 and Mental Hygiene; providing for the administration of the Program as
6 permitted by federal law or waiver; stating the purpose of the Program;
7 establishing certain eligibility criteria for enrollment in the Program; providing
8 certain benefits to enrollees under the Program; authorizing the Department an
9 enrollment fee to cover administrative costs; requiring an enrollee to pay a
10 certain dispensing fee; authorizing certain individuals enrolled in certain other
11 programs to enroll in the Program under certain circumstances; requiring the
12 Secretary of Health and Mental Hygiene to adopt certain regulations; requiring
13 the Department to apply for a certain waiver to expand a certain program;
14 requiring the Secretary to submit a certain report on or before a certain date;
15 providing for the construction of this Act; and generally relating to the Maryland
16 Pharmacy Discount Drug Program.

17 BY adding to
18 Article - Health - General
19 Section 15-103(d) and 15-124.1
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:

24 **Article - Health - General**

25 15-103.

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

1 15-124.1

2 (A) IN THIS SECTION, "PROGRAM" MEANS THE MARYLAND PHARMACY
3 DISCOUNT DRUG PROGRAM ESTABLISHED UNDER THIS SECTION.

4 (B) THERE IS A MARYLAND PHARMACY DISCOUNT DRUG PROGRAM WITHIN
5 THE MARYLAND MEDICAL ASSISTANCE PROGRAM.

6 (C) THE PURPOSES OF THE PROGRAM ARE TO:

7 (1) PROVIDE AFFORDABLE ACCESS TO MEDICALLY NECESSARY
8 PRESCRIPTION DRUGS FOR ALL MARYLAND CITIZENS;

9 (2) IMPROVE THE HEALTH STATUS OF MEDICARE ENROLLEES AND
10 CERTAIN UNINSURED INDIVIDUALS WHO LACK PRESCRIPTION DRUG BENEFIT
11 COVERAGE, BY PROVIDING ACCESS TO LOWER COST, MEDICALLY NECESSARY
12 PRESCRIPTION DRUGS; AND

13 (3) PROVIDE A NONREGULATORY PROGRAM FOR INCREASING ACCESS
14 TO AFFORDABLE PRESCRIPTION DRUGS.

15 (D) THE PROGRAM IS ADMINISTERED AND OPERATED BY THE DEPARTMENT
16 AS PERMITTED BY FEDERAL LAW OR WAIVER.

17 (E) THE PROGRAM SHALL BE OPEN TO:

18 (1) MEDICARE ENROLLEES WHO LACK OTHER PUBLIC OR PRIVATE
19 PRESCRIPTION DRUG BENEFIT COVERAGE; AND

20 (2) INDIVIDUALS WHO:

21 (I) HAVE AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 300
22 PERCENT OF THE FEDERAL POVERTY GUIDELINES; AND

23 (II) LACK PUBLIC OR PRIVATE PRESCRIPTION DRUG BENEFIT
24 COVERAGE.

25 (F) (1) ENROLLEES IN THE PROGRAM MAY PURCHASE MEDICALLY
26 NECESSARY PRESCRIPTION DRUGS FROM ANY PHARMACY THAT PARTICIPATES IN
27 THE MARYLAND MEDICAL ASSISTANCE PROGRAM AT A PRICE EQUAL TO THE NET
28 COST PAID BY THE STATE UNDER THE MARYLAND MEDICAL ASSISTANCE PROGRAM.

29 (2) THE NET COST TO AN ENROLLEE FOR A PRESCRIPTION DRUG SOLD
30 UNDER THE PROGRAM SHALL BE THE DISCOUNT PRICE FOR MEDICAID
31 PRESCRIPTIONS MINUS ANY FEDERALLY MANDATED REBATE RECEIVED BY THE
32 STATE.

33 (G) THE DEPARTMENT MAY SET A REASONABLE ANNUAL ENROLLMENT FEE
34 TO COVER THE ADMINISTRATIVE COSTS OF THE PROGRAM.

1 (H) AN ENROLLEE IN THE PROGRAM SHALL PAY TO THE PHARMACY THAT
2 FILLS THE PRESCRIPTION UNDER THE PROGRAM THE DISPENSING FEE
3 ESTABLISHED BY THE SECRETARY FOR THE MARYLAND MEDICAL ASSISTANCE
4 PROGRAM.

5 (I) AN INDIVIDUAL WHO MEETS THE ELIGIBILITY REQUIREMENTS
6 ESTABLISHED BY THE SECRETARY FOR THE PROGRAM AND WHO IS ENROLLED IN OR
7 HAS BEEN ENROLLED IN ANY OF THE FOLLOWING PROGRAMS IS ELIGIBLE TO
8 ENROLL IN THE PROGRAM:

9 (1) A MARYLAND HEALTH CARE FOUNDATION PROGRAM FOR
10 PROVIDING PRESCRIPTION DRUGS;

11 (2) THE SHORT-TERM PRESCRIPTION DRUG SUBSIDY PROGRAM UNDER
12 SUBTITLE 6 OF THIS TITLE; AND

13 (3) THE MARYLAND PHARMACY ASSISTANCE PROGRAM UNDER § 15-124
14 OF THIS SUBTITLE.

15 (J) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE
16 PROVISIONS OF THIS SECTION.

17 (K) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE A RETAILER OR
18 WHOLESALER TO SELL ANY PRESCRIPTION DRUG IN MARYLAND AT A PRICE LOWER
19 THAN THE SUM OF:

20 (1) THE ACTUAL PURCHASE PRICE OF THE DRUG;

21 (2) THE RETAILER'S OR WHOLESALER'S REASONABLE AND CUSTOMARY
22 COST OF DOING BUSINESS; AND

23 (3) THE RETAILER'S OR WHOLESALER'S PROFIT MARKUP.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of
25 Health and Mental Hygiene shall submit to the federal Health Care Financing
26 Administration a request for approval of an amendment to the State's existing § 1115
27 of the federal Social Security Act demonstration waiver for the implementation of the
28 Maryland Pharmacy Discount Drug Program established by this Act under §
29 15-124.1 of the Health - General Article.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the Secretary shall report
31 to the General Assembly on or before June 30 of each year, subject to § 2-1246 of the
32 State Government Article, on the status of the application process to obtain a waiver
33 from the federal Health Care Financing Administration for the Maryland Discount
34 Drug Program, the Program's activities for the year, and any recommendations for
35 consideration by the General Assembly.

36 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 July 1, 2001.