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By: **Chairman, Environmental Matters Committee (Departmental - Health and Mental Hygiene)**

Introduced and read first time: February 8, 2002

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Health General - Maryland Pharmacy Assistance Program - Increase in**  
3 **Copayment Amount**

4 FOR the purpose of increasing the cap on the copayment amount under the Maryland  
5 Pharmacy Assistance Program; and generally relating to the Maryland  
6 Pharmacy Assistance Program.

7 BY repealing and reenacting, with amendments,  
8 Article - Health - General  
9 Section 15-124  
10 Annotated Code of Maryland  
11 (2000 Replacement Volume and 2001 Supplement)

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

14 **Article - Health - General**

15 15-124.

16 (a) (1) The Department shall maintain a Maryland Pharmacy Assistance  
17 Program for low income individuals whose:

18 (i) Assets are not more than 1.5 times the amount of accountable  
19 resources according to the asset schedule of the Maryland Medical Assistance  
20 Program; and

21 (ii) Gross annual income does not exceed:

22 1. \$4,600 plus \$500 for each individual over 1 in a family  
23 unit; and

24 2. An annual increase set by the Secretary under paragraph  
25 (2)(i)4 of this subsection.

1 (2) (i) 1. In this paragraph the following words have the meanings  
2 indicated.

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

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

8 (ii) For the purpose of paragraph (1) of this subsection, the  
9 Secretary shall:

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

13 2. Define excluded assets;

14 3. Establish a family unit structure; and

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

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

23 B. The dollar amount by which the medical assistance income  
24 schedules are increased by the State.

25 (b) (1) (i) Reimbursement under the Maryland Pharmacy Assistance  
26 Program shall be limited to maintenance drugs, anti-infectives and AZT as specified  
27 in regulations to be issued by the Secretary after consultation with the Maryland  
28 Pharmacists Association.

29 (ii) 1. For any drug on the Program's interchangeable drug list,  
30 the Program shall reimburse providers in an amount not more than it would  
31 reimburse for the drug's generic equivalent, unless the individual's physician states,  
32 in his or her own handwriting, on the face of the prescription, that a specific brand is  
33 "medically necessary" for the particular patient.

34 2. If an appropriate generic drug is not generally available,  
35 the Department may waive the reimbursement requirement under  
36 sub-subparagraph 1 of this subparagraph.

1           (2)       The reimbursement shall be up to the amount paid for the same  
2 items or services under the pharmacy program of the Maryland Medical Assistance  
3 Program and shall be subject to a copayment of not more than [\$5.00] \$7.50 for each  
4 covered item or service.

5       (c)       (1)       Except as provided under paragraph (4) of this subsection and unless  
6 the change is made by an emergency regulation, the Maryland Pharmacy Assistance  
7 Program shall notify all pharmacies under contract with the Program in writing of  
8 changes in the Pharmaceutical Benefit Program rules or requirements at least 30  
9 days before the change is effective.

10           (2)       Changes that require 30 days' advance written notice under  
11 paragraph (1) of this subsection are:

12                   (i)       Exclusion of coverage for classes of drugs as specified by  
13 contract;

14                   (ii)       Changes in prior or preauthorization procedures; and

15                   (iii)       Selection of new prescription claims processors.

16           (3)       If the Maryland Pharmacy Assistance Program fails to provide  
17 advance notice as required under paragraph (1) of this subsection, it shall honor and  
18 pay in full any claim under the Program rules or requirements that existed before the  
19 change for 30 days after the postmarked date of the notice.

20           (4)       Notwithstanding any other provision of law, the notice requirements  
21 of this subsection do not apply to the addition of new generic drugs authorized under  
22 § 12-504 of the Health Occupations Article.

23       (d)       (1)       The Secretary shall adopt rules and regulations that authorize the  
24 denial, restriction, or termination of eligibility for recipients who have abused  
25 benefits under the Maryland Pharmacy Assistance Program.

26           (2)       As a condition of participation, the Department may require  
27 Maryland Pharmacy Assistance Program participants to apply for eligibility in the  
28 Maryland Medical Assistance Program within 60 days of notification to do so by the  
29 Department.

30           (3)       The rules and regulations shall require that the recipient be given  
31 notice and an opportunity for a hearing before eligibility may be denied, restricted, or  
32 terminated under this subsection.

33       (e)       The Secretary shall develop a program, in consultation with appropriate  
34 agencies, that will provide information to ineligible Maryland Pharmacy Assistance  
35 Program applicants regarding other programs that they may be eligible for including  
36 free programs offered by drug manufacturers.

37       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
38 effect July 1, 2002.