
By: **Delegates Shriver and Hurson**
Introduced and read first time: February 8, 2002
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Citizens' Prescription Drug Benefit Program**

3 FOR the purpose of establishing the Citizens' Prescription Drug Benefit Program in
4 the Department of Budget and Management; providing for the purposes of the
5 Program; authorizing the Department to contract with a pharmacy benefit
6 manager to administer the Program; authorizing the Department to contract
7 with a third party to provide certain services; providing for certain requirements
8 of the pharmacy benefit manager that contracts with the Department; requiring
9 the contract between the Department and the pharmacy benefit manager to
10 contain certain provisions; requiring certain persons to participate in the
11 Program; providing that certain persons are eligible to participate in the
12 Program; requiring the administrator of the Program to distribute a certain
13 prescription drug benefit card to Program participants; requiring the Program
14 to include an annual fee to be used for certain purposes; authorizing the
15 Secretary of the Department of Budget and Management to adopt certain
16 regulations; requiring the Department to report to certain committees of the
17 General Assembly by a certain date; requiring the Department to make benefits
18 available to Program participants by a certain date; and generally relating to
19 the Citizens' Prescription Drug Benefit Program in the Department of Budget
20 and Management.

21 BY adding to
22 Article - State Finance and Procurement
23 Section 3-1001 through 3-1007, inclusive, to be under the new subtitle "Subtitle
24 10. Citizens' Prescription Drug Benefit Program"
25 Annotated Code of Maryland
26 (2001 Replacement Volume)

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

1 **Article - State Finance and Procurement**2 **SUBTITLE 10. CITIZENS' PRESCRIPTION DRUG BENEFIT PROGRAM.**

3 3-1001.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (B) "CARRIER" MEANS:

7 (1) AN INSURER;

8 (2) A NONPROFIT HEALTH SERVICE PLAN;

9 (3) A HEALTH MAINTENANCE ORGANIZATION; OR

10 (4) A DENTAL PLAN ORGANIZATION.

11 (C) "PROGRAM" MEANS THE CITIZENS' PRESCRIPTION DRUG BENEFIT
12 PROGRAM.

13 3-1002.

14 (A) THERE IS A CITIZENS' PRESCRIPTION DRUG BENEFIT PROGRAM IN THE
15 DEPARTMENT.16 (B) THE PURPOSE OF THE PROGRAM IS TO AGGREGATE THE PURCHASING
17 POWER OF THE STATE EMPLOYEE HEALTH BENEFITS PLAN, THE DEPARTMENT OF
18 HEALTH AND MENTAL HYGIENE, EMPLOYER GROUPS, HEALTH INSURANCE
19 CARRIERS, AND ELIGIBLE INDIVIDUALS UNDER ONE ENTITY IN ORDER TO OBTAIN
20 VOLUME DISCOUNTS ON THE COST OF PRESCRIPTION DRUGS ON BEHALF OF
21 MARYLAND RESIDENTS, BUSINESSES, AND THE STATE.

22 3-1003.

23 (A) PROGRAM PARTICIPANTS SHALL RECEIVE DISCOUNTS ON THE COST OF
24 PRESCRIPTION DRUGS AS NEGOTIATED BY THE DEPARTMENT.25 (B) THE PROGRAM SHALL NOT BE RESPONSIBLE FOR THE SUBSIDIZATION OF
26 DRUG COSTS FOR PROGRAM PARTICIPANTS.

27 3-1004.

28 (A) (1) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

29 (2) IN ADMINISTERING THE PROGRAM, THE DEPARTMENT MAY
30 CONTRACT WITH:

31 (I) A PHARMACY BENEFIT MANAGER; AND

1 (II) A PUBLIC OR PRIVATE NONPROFIT ORGANIZATION TO PROVIDE
2 ENROLLMENT, MARKETING, AND OUTREACH SERVICES.

3 (B) IF THE DEPARTMENT CONTRACTS WITH A PHARMACY BENEFIT MANAGER,
4 THE PHARMACY BENEFIT MANAGER SHALL HAVE:

5 (1) AT LEAST 5 YEARS' EXPERIENCE AS A PHARMACY BENEFIT
6 MANAGER;

7 (2) THE RESOURCES NECESSARY TO DEVELOP, IMPLEMENT, AND
8 OPERATE THE PROGRAM;

9 (3) A HISTORY OF PARTNERING RELATIONSHIPS WITH PHARMACY
10 PROVIDERS AND PHARMACEUTICAL MANUFACTURERS;

11 (4) THE ABILITY TO ADMINISTER COMPLETE, COMPREHENSIVE AUDITS
12 OF THE PROGRAM;

13 (5) THE ABILITY TO ANALYZE AND REPORT ON THE PAYMENT OF
14 PHARMACY CLAIMS AND TO PROVIDE COMPREHENSIVE UTILIZATION REVIEW;

15 (6) AN ESTABLISHED PRIOR AUTHORIZATION PROGRAM AND APPEALS
16 PROCESS;

17 (7) SUFFICIENT BENEFICIARY AND PROVIDER TELEPHONE SUPPORT;
18 AND

19 (8) ANY OTHER REQUIREMENT THAT THE DEPARTMENT DEEMS
20 NECESSARY.

21 (C) IF THE DEPARTMENT CONTRACTS WITH A PHARMACY BENEFIT MANAGER,
22 THE CONTRACT BETWEEN THE DEPARTMENT AND THE PHARMACY BENEFIT
23 MANAGER SHALL INCLUDE THE FOLLOWING PROVISIONS:

24 (1) ANY REBATE, DISCOUNT, OR OTHER REMUNERATION THAT IS
25 PROVIDED BY A PHARMACEUTICAL MANUFACTURER TO THE PHARMACY BENEFIT
26 MANAGER AS A RESULT OF DRUG PURCHASES MADE ON BEHALF OF THE PROGRAM
27 SHALL INURE TO THE DEPARTMENT FOR USE IN THE PROGRAM;

28 (2) AGREEMENTS BETWEEN THE PHARMACY BENEFIT MANAGER AND
29 ANY PHARMACEUTICAL MANUFACTURER SHALL BE DISCLOSED TO THE
30 DEPARTMENT;

31 (3) THE DRUG FORMULARY FOR THE PROGRAM SHALL BE OPEN; AND

32 (4) THE PHARMACY BENEFIT MANAGER SHALL IMPLEMENT METHODS
33 TO ENCOURAGE THE USE OF GENERIC DRUGS.

34 3-1005.

35 (A) THE FOLLOWING PERSONS SHALL PARTICIPATE IN THE PROGRAM:

- 1 (1) THE STATE EMPLOYEE HEALTH BENEFITS PLAN;
- 2 (2) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE; AND
- 3 (3) A MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101(F) OF THE
4 HEALTH - GENERAL ARTICLE.

5 (B) THE FOLLOWING PERSONS ARE ELIGIBLE TO PARTICIPATE IN THE
6 PROGRAM:

- 7 (1) ANY RESIDENT OF THE STATE;
- 8 (2) AN EMPLOYER WITH OVER 50 EMPLOYEES; AND
- 9 (3) A CARRIER.

10 (C) IF A CARRIER PARTICIPATES IN THE PROGRAM, THE CARRIER SHALL PASS
11 ANY DISCOUNTS RECEIVED AS A RESULT OF PARTICIPATING IN THE PROGRAM ON TO
12 POLICYHOLDERS.

13 3-1006.

14 (A) THE ADMINISTRATOR OF THE PROGRAM SHALL DISTRIBUTE TO
15 INDIVIDUAL PROGRAM PARTICIPANTS A PRESCRIPTION DRUG BENEFIT CARD THAT
16 CONFORMS TO NATIONAL COUNCIL FOR PRESCRIPTION DRUG PROGRAMS
17 SPECIFICATIONS.

18 (B) THE PROGRAM SHALL INCLUDE AN ANNUAL FEE FOR INDIVIDUAL,
19 BUSINESS, AND FAMILY MEMBERSHIP INTENDED TO COVER THE ADMINISTRATIVE
20 EXPENSES OF THE PROGRAM.

21 3-1007.

22 THE SECRETARY MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF
23 THIS SUBTITLE.

24 SECTION 2. AND BE IT FURTHER ENACTED, That, if the Department of
25 Budget and Management can avail the Citizens' Prescription Drug Benefit Plan of the
26 federal 340B Drug Pricing Program, the Department shall take the steps necessary to
27 access the discounted prices.

28 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
29 Budget and Management shall report to the Senate Finance Committee and the
30 House Environmental Matters Committee on or before October 1, 2003, in accordance
31 with § 2-1246 of the State Government Article, on the implementation of this Act.

32 SECTION 4. AND BE IT FURTHER ENACTED, That the Department shall
33 make benefits under the Citizens' Prescription Drug Benefit Program available to
34 participants no later than January 1, 2003.

1 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect October 1, 2002.