
By: **Delegates Valderrama, Patterson, Frush, Moe, Griffith, and Owings**
Introduced and read first time: February 14, 2002
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Health - Assistance Programs - Prescription Drugs**

3 FOR the purpose of establishing the Prescription Drug Affordability Program in the
4 Department of Health and Mental Hygiene; requiring the Program to negotiate
5 certain drug discounts and rebates, combine certain drug pricing negotiations
6 from certain programs, and administer a certain prescription drug card
7 program; providing for the individuals eligible to participate; requiring the
8 Secretary of Health and Human Services to adopt certain regulations;
9 increasing the number of enrollees in the Short-Term Prescription Drug
10 Subsidy Plan; extending the termination date of the Short-Term Prescription
11 Drug Subsidy Plan; and generally relating to assistance programs and
12 prescription drugs.

13 BY adding to
14 Article - Health - General
15 Section 15-134
16 Annotated Code of Maryland
17 (2000 Replacement Volume and 2001 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article - Health - General
20 Section 15-601(a) and (f)
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2001 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Health - General
25 Section 15-603
26 Annotated Code of Maryland
27 (2000 Replacement Volume and 2001 Supplement)

28 BY repealing and reenacting, with amendments,
29 Chapter 134 of the Acts of the General Assembly of 2001

1 Section 12

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

4 **Article - Health - General**

5 15-134.

6 (A) IN THIS SECTION, "PROGRAM" MEANS THE PRESCRIPTION DRUG
7 AFFORDABILITY PROGRAM.

8 (B) THERE IS A PRESCRIPTION DRUG AFFORDABILITY PROGRAM IN THE
9 DEPARTMENT.

10 (C) THE PROGRAM SHALL:

11 (1) NEGOTIATE DRUG DISCOUNTS AND REBATES FROM DRUG
12 MANUFACTURERS ON BEHALF OF PROGRAM RECIPIENTS;

13 (2) AGGREGATE THE PURCHASING POWER OF THE MEDICAL
14 ASSISTANCE PROGRAM, MEDICARE, AND OTHER STATE HEALTH ASSISTANCE
15 PROGRAMS UNDER ONE ENTITY IN ORDER TO COMBINE DRUG PRICING
16 NEGOTIATIONS; AND

17 (3) ADMINISTER A PRESCRIPTION DRUG CARD PROGRAM THAT PASSES
18 ON ANY DISCOUNTS RECEIVED AS A RESULT OF THE NEGOTIATIONS UNDER
19 PARAGRAPHS (1) AND (2) OF THIS SUBSECTION TO PROGRAM RECIPIENTS.

20 (D) THE FOLLOWING INDIVIDUALS ARE ELIGIBLE TO PARTICIPATE IN THE
21 PROGRAM:

22 (1) AN UNINSURED RESIDENT ON MEDICARE; AND

23 (2) A RESIDENT UNDER THE AGE OF 65 WITH AN INCOME.

24 (E) THE SECRETARY SHALL ADOPT REGULATIONS TO CARRY OUT THE
25 PROVISIONS OF THIS SECTION.

26 15-601.

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

28 (f) "Plan" means the Short-Term Prescription Drug Subsidy Plan established
29 under this subtitle.

30 15-603.

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

- 1 (1) Subject to the moneys available in the Fund, provide benefits to not
2 more than [30,000] 50,000 enrollees at any one time;
- 3 (2) Set the monthly premium charged an enrollee at \$10;
- 4 (3) Not require a deductible; and
- 5 (4) Limit the co-pay charged an enrollee to:
- 6 (i) \$10 for a prescription for a generic drug;
- 7 (ii) \$20 for a prescription for a preferred brand name drug; and
- 8 (iii) \$35 for a prescription for a nonpreferred brand name drug.
- 9 (b) The Plan may limit the total annual benefit to \$1,000 per individual.
- 10 (c) The Plan may include a restricted formulary of experimental drugs not
11 approved by the federal Food and Drug Administration for general use that will not be
12 reimbursed.
- 13 (d) Effective July 1, 2001, the carrier shall disregard all benefit amounts
14 realized under the Plan by each enrollee through June 30, 2001, for the purpose of
15 calculating the enrollee's progress toward the total annual benefit limit for the year
16 beginning July 1, 2001.

17

Chapter 134 of the Acts of 2001

18 SECTION 12. AND BE IT FURTHER ENACTED, That Sections 3 and 4 of this
19 Act shall take effect July 1, 2001. On the earlier of the end of June 30, [2003] 2005, or
20 the availability of comparable prescription drug benefits provided by Medicare under
21 Title XVIII of the Social Security Act, as amended, with no further action required by
22 the General Assembly, Sections 3 and 4 of this Act shall be abrogated and of no
23 further force and effect. If comparable prescription drug benefits are provided by
24 Medicare under Title XVIII of the Social Security Act, the Secretary of Health and
25 Mental Hygiene shall notify the Department of Legislative Services, 90 State Circle,
26 Annapolis, Maryland 21401 not later than 90 days before prescription drug benefits
27 are to be provided.

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