

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 143

(Delegate Donoghue, *et al.*)

Health and Government Operations

Finance and Budget and Taxation

Maryland Medbank Program - Administration, Extension, and Funding

This bill extends the June 30, 2003 termination date for the Maryland Medbank Program to June 30, 2006. In addition, the bill transfers the administration of the Medbank program from the Maryland Health Care Foundation to Medbank of Maryland, Inc. Program funds may be used to distribute medication to enrollees.

The bill takes effect June 1, 2003 and terminates on June 30, 2006.

Fiscal Summary

State Effect: General fund expenditures for the Medbank program would continue beyond FY 2003. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Senior Prescription Drug Relief Act (Chapters 134 and 135 of 2001) created the Medbank program, patterned after a similar private program offered by Medbank of Maryland, Inc. The Health Care Foundation is responsible for contracting with one or more entities to administer and operate the program. Currently, the foundation contracts with Medbank of Maryland, Inc. to offer these services. The program assists low-income individuals who lack prescription drug coverage by accessing medically necessary prescription drugs through patient assistance programs sponsored by pharmaceutical drug manufacturers. Program funds must be used in part to purchase interim supplies of prescription drugs for program enrollees who have applied to participate in a manufacturer's patient assistance program but have not yet received the

approved prescription drug. In addition, the foundation must ensure that the Medbank program is available to residents in each geographic region of the State.

Background: Chapter 180 of 1997 created the Maryland Health Care Foundation, a nonprofit organization established to support efforts to increase and improve access to quality health care for the uninsured, underinsured, and medically underserved residents of Maryland. The foundation awards grants to help fund programs that expand access to health care for Marylanders without health insurance.

The fiscal 2002 DHMH budget contained \$2.5 million in general funds for the Medbank program. In fiscal 2003, DHMH's budget contained \$2 million in general funds for the program.

State Fiscal Effect: General fund expenditures for the Medbank program would continue beyond fiscal 2003. The fiscal 2004 budget bill includes \$800,000 general funds for the Medbank program. In addition, the Budget Reconciliation and Financing Act (BRFA) provides grants from Medicaid's HealthChoice Performance Incentive Fund to the Medbank program. Grants from the fund cannot exceed \$1.2 million in fiscal 2004, \$1 million in fiscal 2005, and \$500,000 in fiscal 2006. Revenues would not be affected.

Additional Information

Prior Introductions: None.

Cross File: SB 334 is listed as a cross file although it is not identical to HB143.

Information Source(s): Department of Health and Mental Hygiene (Medicaid),
Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2003
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