

Department of Legislative Services  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 334

(Senator Teitelbaum, *et al.*)

Finance and Budget and Taxation

Health and Government Operations

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**Maryland Medbank Program - Administration, Extension , and Funding**

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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.

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**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.

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**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.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** HB 143 is listed as a cross file although it is not identical to SB 334.

**Information Source(s):** Department of Health and Mental Hygiene, CareFirst Blue Cross/Blue Shield, Maryland Health Care Foundation, Department of Legislative Services Department of Health and Mental Hygiene (Medicaid), Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2003  
mld/jr Revised - Senate Third Reader - March 25, 2003  
Revised - Updated Budget Information - April 2, 2003  
Revised - Enrolled Bill - May 1, 2003

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