

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

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

Senate Bill 676

(Senator Gladden)

Finance and Budget and Taxation

Health and Government Operations

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**Maryland Medical Assistance Program - Maryland Pharmacy Access Hotline**

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This bill requires the Department of Health and Mental Hygiene (DHMH) to use existing resources to establish a toll-free Maryland Pharmacy Access Hotline that operates during regular business hours and allows callers to leave a message during nonbusiness hours. DHMH must distribute to all Medicaid program recipients information about the hotline, which must clearly state: (1) the toll-free telephone number of the hotline; and (2) that the Medicaid recipient should call the number if the recipient is having problems getting necessary medicines. DHMH must notify all health care providers who participate in the Medicaid program about the hotline. DHMH must develop a methodology to track the number and types of calls received and provide a quarterly report to the Pharmacy and Therapeutics Committee.

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**Fiscal Summary**

**State Effect:** The development and operation of the Maryland Pharmacy Access Hotline could be handled with existing budgeted DHMH resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Regulations implemented March 3, 2003 permit DHMH to use a preferred drug list for Medicaid and pharmacy assistance programs, including the Maryland Children's Health Program (MCHP), MPAP, and MPDP.

**Background:** DHMH administers several different drug programs. Medicaid covers most drugs for certain low-income individuals. MCHP provides drug coverage to children whose families earn up to 300% of the federal poverty level guidelines (FPG). MPAP provides drug coverage to individuals who earn less than 116% FPG. MPDP provides a 35% discount on prescription drugs to Medicare beneficiaries, beginning July 1, 2003.

Chapter 464 of 2002 requires DHMH to use alternative cost containment measures in pharmacy programs, such as implementing disease management programs, before implementing a Medicaid pharmacy reimbursement reduction. As a result, DHMH implemented several cost-saving measures, such as a tiered copayment system in Medicaid's fee-for-service program, to reduce or at least control prescription drug costs. DHMH also recently implemented a preferred drug list for the drug assistance programs. An enrollee may be prescribed any drug on the preferred drug list without any type of preauthorization. If a drug is not on the preferred drug list, an enrollee may still be able to obtain it; however, the prescriber must first obtain authorization from the Medicaid program to do so. The preferred drug list in the Medicaid program is expected to save the State \$16 million (50% general funds, 50% federal funds) in fiscal 2004.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 363 (Delegate Rosenberg) – Health and Government Operations.

**Information Source(s):** *Mental Health: A Report of the Surgeon General–Executive Summary*, 1999; *NIH Publication No. 02-3929*, Revised April 2002, National Institute of Mental Health; Mental Health Association of Maryland; Department of Health and Mental Hygiene (Mental Hygiene Administration, Medicaid), Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2003  
ncs/jr Revised - Senate Third Reader - April 5, 2003

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