

(PRE-FILED)

By: **Delegate Franchot**

Requested: November 10, 2004

Introduced and read first time: January 12, 2005

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Employees - Prescription Drugs - Canadian Mail Order Plan**

3 FOR the purpose of requiring the Department of Budget and Management, on or
4 before a certain date, to seek approval of a certain waiver from the federal Food
5 and Drug Administration to operate a program to purchase and import
6 prescription drugs from Canada and to certify the safety and efficacy of the
7 imported prescription drugs; requiring the Department, on or before a certain
8 date, to develop a plan to implement a Canadian Mail Order Plan for the
9 purchase and importation of prescription drugs; requiring the Canadian Mail
10 Order Plan to provide prescription drugs to certain individuals; requiring the
11 Secretary of Budget and Management to contract with a pharmacy benefits
12 manager to operate the Canadian Mail Order Plan, under the Secretary's
13 direction; requiring the pharmacy benefits manager to incorporate certain
14 patient safety features in the Canadian Mail Order Plan; specifying certain cost
15 requirements for a prescription drug provided through the Canadian Mail Order
16 Plan; requiring the Secretary to provide certain financial incentives to
17 participants to purchase prescription drugs through the Canadian Mail Order
18 Plan; requiring the Department to submit a certain annual report to the
19 Governor and the General Assembly; requiring the Department to implement a
20 certain plan within a certain number of days after the approval of certain
21 requests; providing for the termination of this Act contingent on certain
22 circumstances; requiring that certain savings be allocated to a dedicated
23 purpose account for certain purposes; and generally relating to a Canadian Mail
24 Order Plan for the purchase and importation of prescription drugs from Canada.

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
26 MARYLAND, That, on or before November 1, 2005, the Department of Budget and
27 Management, in consultation with the Attorney General's Office, shall seek approval
28 of a waiver from the federal Food and Drug Administration that would allow the State
29 to operate a program to purchase and import prescription drugs from Canada and
30 certify the safety and efficacy of any prescription drugs imported from Canada.

31 SECTION 2. AND BE IT FURTHER ENACTED, That:

1 (a) On or before January 1, 2006, the Department of Budget and Management
2 shall develop a plan to implement a Canadian Mail Order Plan for the purchase and
3 importation of prescription drugs in accordance with subsection (b) of this section.

4 (b) (1) The Canadian Mail Order Plan shall provide prescription drugs to
5 State Employee and Retiree Health and Welfare Benefits Program enrollees.

6 (2) The Secretary of Budget and Management shall contract with a
7 pharmacy benefits manager to operate the Canadian Mail Order Plan, under the
8 direction of the Secretary.

9 (3) The pharmacy benefits manager shall incorporate patient safety
10 features in the Canadian Mail Order Plan, including:

11 (i) requiring a participant, prior to filling a drug prescription
12 through the Canadian Mail Order Plan, to:

13 1. use and tolerate the prescription drug for a minimum of 1
14 month through retail purchase; and

15 2. submit to the pharmacy benefits manager a brief medical
16 history, including allergies, medication history, and diagnoses;

17 (ii) developing a restricted list of prescription drugs appropriate for
18 purchase through mail order;

19 (iii) using only licensed pharmacists to dispense prescription drugs;
20 and

21 (iv) requiring prescription drugs to be provided through "unit of
22 use" packaging, sealed and shipped directly from the manufacturer to the pharmacy
23 and then to the participant, in order to reduce medication errors and the possibility of
24 counterfeit drugs.

25 (4) The cost to both the State and the participant for a prescription drug
26 provided through the Canadian Mail Order Plan shall be less than the cost to both the
27 State and the participant through retail purchase.

28 (5) The Secretary of Budget and Management shall provide a financial
29 incentive, such as the elimination or reduction of the copayment, to participants to
30 purchase prescription drugs through the Canadian Mail Order Plan.

31 (6) On or before January 1 of each year, the Department of Budget and
32 Management shall submit a report for the prior fiscal year to the Governor and, in
33 accordance with § 2-1246 of the State Government Article, to the General Assembly:

34 (i) comparing the approximate costs to the State of purchasing and
35 importing prescription drugs from Canada under the Canadian Mail Order Plan and
36 the approximate costs to the State of purchasing prescription drugs in the United
37 States; and

1 (ii) specifying the savings, if any, realized as a result of
2 participation in the Canadian Mail Order Plan.

3 SECTION 3. AND BE IT FURTHER ENACTED, That:

4 (a) The Department of Budget and Management shall implement the
5 Canadian Mail Order Plan in accordance with the implementation plan required
6 under Section 2 of this Act within 30 days after approval by the federal Food and
7 Drug Administration of the waiver applied for under Section 1 of this Act.

8 (b) If the waiver or the request specified in subsection (a) of this section is
9 denied, this Act shall be null and void without the necessity of any further action by
10 the General Assembly.

11 (c) The Department of Budget and Management, within 5 days after receiving
12 notice of approval or denial of a waiver or request specified in subsection (a) of this
13 section, shall forward a copy of the notice to the Department of Legislative Services,
14 90 State Circle, Annapolis, Maryland 21401.

15 SECTION 4. AND BE IT FURTHER ENACTED, That any savings the
16 Department of Budget and Management, as of July 1 of each year, anticipates
17 achieving during the current fiscal year through a Canadian Mail Order Plan in
18 accordance with the implementation plan required under Section 2 of this Act shall be
19 allocated to a dedicated purpose account for breast cancer research and prevention for
20 low-income women at the University of Maryland Medical System.

21 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions
22 of Section 3 of this Act, this Act shall take effect July 1, 2005.