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By: **Delegates Rudolph and Haynes**  
Introduced and read first time: January 24, 2005  
Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Senior Citizen Prescription Medicine Relief Act of 2005**

3 FOR the purpose of requiring pharmacies, as a condition of participation in the  
4 Maryland Medical Assistance Program, to charge Medicare beneficiaries, under  
5 certain circumstances, a certain price for prescription drugs that does not exceed  
6 the Program's reimbursement rate for the drug and an amount to cover the cost  
7 of certain electronic transmission; requiring the Department of Health and  
8 Mental Hygiene to provide a mechanism to calculate and transmit the price of  
9 the prescription to the pharmacy; requiring the Department to monitor  
10 pharmacy compliance with the requirements of this Act; requiring a certain  
11 report on pharmacy compliance on or before a certain date; defining a certain  
12 term; providing for the termination of this Act; and generally relating to  
13 pharmacies providing discounts for Medicare beneficiaries as a condition of  
14 participation in the Maryland Medical Assistance Program.

15 BY repealing and reenacting, without amendments,  
16 Article - Health - General  
17 Section 15-101(a) and (h)  
18 Annotated Code of Maryland  
19 (2000 Replacement Volume and 2004 Supplement)

20 BY adding to  
21 Article - Health - General  
22 Section 15-124.3  
23 Annotated Code of Maryland  
24 (2000 Replacement Volume and 2004 Supplement)

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

1 **Article - Health - General**

2 15-101.

3 (a) In this title the following words have the meanings indicated.

4 (h) "Program" means the Maryland Medical Assistance Program.

5 15-124.3.

6 (A) IN THIS SECTION, "REIMBURSEMENT RATE" MEANS THE AMOUNT PAID TO  
7 A PHARMACY FOR A PRESCRIPTION DRUG THAT INCLUDES:

8 (1) THE ACQUISITION COST FOR THE DRUG; AND

9 (2) A DISPENSING FEE.

10 (B) AS A CONDITION OF A PHARMACY'S PARTICIPATION IN THE PROGRAM, THE  
11 PHARMACY, ON PRESENTATION OF A VALID PRESCRIPTION FOR THE PATIENT AND  
12 THE PATIENT'S MEDICARE CARD, SHALL CHARGE A MEDICARE BENEFICIARY:13 (1) A PRICE FOR THE PRESCRIPTION DRUG THAT DOES NOT EXCEED THE  
14 PROGRAM REIMBURSEMENT RATE FOR THE DRUG; AND15 (2) AN AMOUNT, AS SET BY THE DEPARTMENT, TO COVER THE COST OF  
16 ELECTRONIC TRANSMISSION TO THE PHARMACY OF THE PROGRAM  
17 REIMBURSEMENT RATE.18 (C) A MEDICARE BENEFICIARY MAY NOT USE THE PROGRAM  
19 REIMBURSEMENT RATE FOR OVER-THE-COUNTER MEDICATIONS OR COMPOUNDED  
20 PRESCRIPTION DRUGS.21 (D) THE DEPARTMENT SHALL PROVIDE A MECHANISM TO CALCULATE AND  
22 ELECTRONICALLY TRANSMIT THE PROGRAM REIMBURSEMENT RATE TO THE  
23 PHARMACY BUT MAY NOT APPLY ANY PROGRAM DRUG UTILIZATION REVIEW  
24 PROCESS FOR PURPOSES OF THIS SECTION.25 (E) (1) THE DEPARTMENT SHALL MONITOR PHARMACY COMPLIANCE WITH  
26 THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION.27 (2) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE DEPARTMENT  
28 SHALL, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, REPORT TO THE  
29 SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT  
30 OPERATIONS COMMITTEE ON PHARMACY COMPLIANCE WITH THE REQUIREMENTS  
31 OF SUBSECTION (A) OF THIS SECTION.32 (3) THE REPORT SHALL INCLUDE INFORMATION ON ANY PHARMACIES  
33 THAT DISCONTINUE PARTICIPATION IN THE PROGRAM AND THE REASONS GIVEN  
34 FOR THE DISCONTINUANCE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect October 1, 2005. It shall remain effective for a period of 3 years and, at the end  
3 of September 30, 2008, with no further action required by the General Assembly, this  
4 Act shall be abrogated and of no further force and effect.