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Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

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CHAPTER _____

1 AN ACT concerning

2 **Maryland Pharmacy Discount Program - ~~Expansion~~ - State Discount -**
3 **Eligibility**

4 FOR the purpose of ~~expanding~~ altering the eligibility requirements of the Maryland
5 Pharmacy Discount Program to include additional Medicare beneficiaries and
6 cover individuals who are not Medicare beneficiaries and lack other public or
7 private prescription drug coverage and have a certain annual household income;
8 authorizing enrollees in the Program to receive a certain discount subsidized by
9 the Department of Health and Mental Hygiene for certain prescription drugs;
10 ~~altering the discount provided to certain Medicare beneficiaries enrolled in the~~
11 ~~Program;~~ altering the price at which an enrollee may purchase certain
12 prescription drugs; requiring the Department, on or before a certain date, to
13 submit to the Centers for Medicare and Medicaid Services an application for an
14 amendment to a certain demonstration waiver; requiring the Department to
15 apply for certain federal matching funds; providing that certain enrollees in the
16 Program may remain enrolled in the Program through a certain date if the
17 application for a certain amendment to a certain demonstration waiver is
18 approved; requiring the Department to forward a copy of a certain notice to the
19 Department of Legislative Services within a certain number of days after
20 receiving notice of the approval or denial of a certain waiver amendment
21 application; providing for the effective dates of this Act; providing for the
22 termination of this Act under certain circumstances; and generally relating to

1 the Maryland Pharmacy Discount Program.

2 BY repealing and reenacting, with amendments,

3 Article - Health - General

4 Section 15-124.1

5 Annotated Code of Maryland

6 (2000 Replacement Volume and 2004 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Health - General**

10 15-124.1.

11 (a) (1) In this section the following words have the meanings indicated:

12 (2) "Enrollee" means an individual who is enrolled in the Maryland
13 Pharmacy Discount Program.

14 (3) "Program" means the Maryland Pharmacy Discount Program
15 established under this section.

16 (b) There is a Maryland Pharmacy Discount Program within the Maryland
17 Medical Assistance Program.

18 (c) The purpose of the Program is to improve the health status of ~~Medicare~~
19 ~~beneficiaries, AND LOWER-INCOME INDIVIDUALS WHO ARE NOT MEDICARE~~
20 ~~BENEFICIARIES; AND~~ who lack prescription drug coverage by providing access to
21 lower cost, medically necessary, prescription drugs.

22 (d) The Program shall be administered and operated by the Department as
23 permitted by federal law or waiver.

24 (e) (1) The Program shall be open to:

25 ~~(H) Medicare beneficiaries who lack other public or private~~
26 ~~prescription drug coverage AND WHO HAVE AN ANNUAL HOUSEHOLD INCOME AT OR~~
27 ~~BELOW 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES; AND~~

28 ~~(H)~~ INDIVIDUALS WHO ARE NOT MEDICARE BENEFICIARIES, WHO
29 LACK OTHER PUBLIC OR PRIVATE PRESCRIPTION DRUG COVERAGE, AND WHO HAVE
30 AN ANNUAL HOUSEHOLD INCOME BELOW ~~300~~ 200 PERCENT OF THE FEDERAL
31 POVERTY LEVEL GUIDELINES.

32 (2) Notwithstanding paragraph (1) of this subsection, enrollment in the
33 Maryland Medbank Program established under § 15-124.2 of this subtitle or the
34 Maryland Pharmacy Assistance Program established under § 15-124 of this subtitle
35 does not disqualify an individual from being eligible for the Program.

1 (f) (4) Subject to subsection (g) of this section, an enrollee may purchase
 2 medically necessary prescription drugs that are covered under the Maryland Medical
 3 Assistance Program from any pharmacy that participates in the Maryland Medical
 4 Assistance Program at a price that is based on the price paid by the Maryland
 5 Medical Assistance Program, minus the aggregate value of any federally mandated
 6 manufacturers' rebates AND ANY STATE CONTRIBUTION AMOUNT.

7 (2) ~~Subject to subsection (g) of this section, and to the extent authorized~~
 8 ~~under federal waiver, an enrollee whose annual household income is at or below~~
 9 ~~[175] 300 percent of the federal poverty guidelines may receive a discount subsidized~~
 10 ~~by the Department that is equal to [35] 22 percent of the price paid by the Maryland~~
 11 ~~Medical Assistance Program for each medically necessary prescription drug~~
 12 ~~purchased under the Program.~~

13 (g) The Department may establish mechanisms to:

14 (1) Recover the administrative costs of the Program;

15 (2) Reimburse participating pharmacies in an amount equal to the
 16 Maryland Medical Assistance price, minus the copayment paid by the enrollee for
 17 each prescription filled under the Program; and

18 (3) Allow participating pharmacies to collect a \$1 processing fee, in
 19 addition to any authorized dispensing fee, for each prescription filled for an enrollee
 20 under the Program.

21 (h) The Secretary shall adopt regulations to implement the Program.

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

23 (a) On or before September 1, 2005, the Department of Health and Mental
 24 Hygiene shall submit to the Centers for Medicare and Medicaid Services an
 25 application for an amendment to the State's existing § 1115 demonstration waiver
 26 necessary to implement the ~~expansion~~ alterations to the eligibility requirements of
 27 the Maryland Pharmacy Discount Program, as provided under Section 1 of this Act.

28 (b) The Department shall apply for federal matching funds subject to budget
 29 neutrality requirements under § 1115 of the Social Security Act and the availability of
 30 State funds.

31 (c) If the application for the amendment to the State's § 1115 demonstration
 32 waiver under this section is approved, all individuals enrolled in the Maryland
 33 Pharmacy Discount Program on or before the date of approval of the waiver
 34 amendment application may remain enrolled in the Program through December 31,
 35 2005.

36 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
 37 take effect on the date that the Centers for Medicare and Medicaid Services approves
 38 a waiver amendment applied for in accordance with Section 2 of this Act. The
 39 Department of Health and Mental Hygiene, within 5 days after receiving notice of the

1 approval or denial of the waiver amendment application, shall forward a copy of the
2 notice to the Department of Legislative Services, 90 State Circle, Annapolis,
3 Maryland 21401. If the waiver amendment applied for in accordance with Section 2 of
4 this Act is denied, this Act shall be null and void without the necessity of any further
5 action by the General Assembly.

6 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
7 Section 3 of this Act, this Act shall take effect June 1, 2005.