

ENROLLED BILL

-- Health and Government Operations and Appropriations/Finance --

Introduced by ~~Delegate Rudolph~~ **Delegates Rudolph, Benson, Boteler, Boutin, Bromwell, Costa, Donoghue, Elliott, Frank, Hammen, Hubbard, Hurson, Kach, Kullen, Mandel, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Pendergrass, V. Turner, Weldon, F. Turner, Aumann, Barkley, Bates, Branch, G. Clagett, DeBoy, Edwards, Gaines, Haynes, Leopold, Madaleno, Paige, Stocksdale, James, Bohanan, and Cadden**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Rx Program**

3 FOR the purpose of requiring the Department of ~~Health and Mental Hygiene~~ **Budget**
4 **and Management** to establish a Maryland Rx Program ~~to achieve savings on the~~
5 ~~cost of prescription drugs for the State Employee and Retiree Health and~~
6 ~~Welfare Benefits Program and certain entities;~~ requiring the Maryland Rx
7 Program to ~~make prescription drugs available at reduced cost~~ **seek savings**
8 through certain means; ~~requiring the Maryland Rx Program to be the~~
9 ~~prescription drug benefit plan for enrollees of the State Employee and Retiree~~
10 ~~Health and Welfare Benefits Program and offer prescription drug benefits to~~
11 ~~certain persons;~~ requiring the Department to develop a preferred list of covered
12 prescription drugs using a certain analysis; requiring, with a certain exception,

1 persons participating in the Maryland Rx Program to bear a certain cost
 2 requiring each entity that participates in the Maryland Rx Program to be
 3 responsible for the cost of drugs purchased by or on behalf of the entity;
 4 requiring the cost of drugs purchased by or on behalf of the State Employee and
 5 Retiree Health and Welfare Benefits Program to be paid in accordance with the
 6 State budget and certain provisions of law; authorizing the State to provide
 7 start-up funds for the Maryland Rx Program and recoup any start-up funds
 8 from certain savings; authorizing the Department to charge a certain fee and
 9 contract with certain entities; requiring the Department to consider contracting
 10 with a nonprofit entity under certain circumstances; requiring the Department
 11 to adopt certain regulations; defining certain terms a certain term; providing for
 12 the applicability of this Act; and generally relating to the establishment of a
 13 Maryland Rx Program.

14 ~~BY adding to~~
 15 ~~Article Health General~~
 16 ~~Section 15-601 to be under the new subtitle "Subtitle 6. Maryland Rx Program"~~
 17 ~~Annotated Code of Maryland~~
 18 ~~(2000 Replacement Volume and 2004 Supplement)~~

19 BY adding to
 20 Article - State Personnel and Pensions
 21 Section 2-502.1
 22 Annotated Code of Maryland
 23 (2004 Replacement Volume)

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

26 ~~Article Health General~~
 27 ~~SUBTITLE 6. MARYLAND RX PROGRAM.~~

28 ~~15-601.~~

29 Article - State Personnel and Pensions

30 2-502.1.

31 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 32 INDICATED:

33 (2) "MARYLAND RX PROGRAM" MEANS A PURCHASING POOL FOR
 34 PHARMACY BENEFITS THAT MEETS THE REQUIREMENTS OF THIS SECTION.

35 (3) "PERSON" MEANS A BUSINESS OR OTHER ENTITY OR AN INDIVIDUAL.

1 (B) THE DEPARTMENT SHALL ESTABLISH A MARYLAND RX PROGRAM THAT
2 ~~MAKES PRESCRIPTION DRUGS AVAILABLE AT REDUCED COST TO ACHIEVE SAVINGS~~
3 ~~ON THE COST OF PRESCRIPTION DRUGS FOR:~~

4 (1) THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE
5 BENEFITS PROGRAM; AND

6 (2) ANY BUSINESS, LOCAL GOVERNMENT, OR OTHER ENTITY
7 IDENTIFIED UNDER THIS SUBTITLE THAT SATISFIES THE CONDITIONS FOR
8 PARTICIPATION ESTABLISHED BY THE DEPARTMENT.

9 (C) THE MARYLAND RX PROGRAM SHALL SEEK SAVINGS THROUGH:

10 (1) A PREFERRED LIST OF COVERED PRESCRIPTION DRUGS;

11 (2) REBATES FROM DRUG MANUFACTURERS; ~~AND~~

12 (3) NEGOTIATED DISCOUNTS; AND

13 (4) OTHER COST-SAVING MEASURES.

14 ~~(C)~~ ~~THE MARYLAND RX PROGRAM SHALL:~~

15 (1) ~~BE THE PRESCRIPTION DRUG BENEFIT PLAN FOR ENROLLEES OF~~
16 ~~THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM;~~
17 ~~AND~~

18 (2) ~~OFFER PRESCRIPTION DRUG BENEFITS TO ANY PERSON THAT~~
19 ~~SATISFIES THE CONDITIONS ESTABLISHED BY THE DEPARTMENT.~~

20 ~~(D)~~ ~~THE DEPARTMENT SHALL DEVELOP THE PREFERRED LIST OF COVERED~~
21 ~~PRESCRIPTION DRUGS USING AN EVIDENCE-BASED ANALYSIS THAT:~~

22 (1) ~~FIRST IDENTIFIES THE RELATIVE EFFECTIVENESS OF~~
23 ~~PRESCRIPTION DRUGS WITHIN THERAPEUTIC CLASSES FOR PARTICULAR DISEASES~~
24 ~~AND CONDITIONS; AND~~

25 (2) ~~NEXT IDENTIFIES THE LEAST COSTLY PRESCRIPTION DRUGS,~~
26 ~~INCLUDING GENERIC DRUGS, AMONG THE DRUGS FOUND TO BE EQUALLY~~
27 ~~EFFECTIVE.~~

28 ~~(E)~~ (1) ~~EXCEPT FOR THE STATE EMPLOYEE AND RETIREE HEALTH AND~~
29 ~~WELFARE BENEFITS PROGRAM, EACH PERSON PARTICIPATING IN THE MARYLAND RX~~
30 ~~PROGRAM SHALL BEAR THE COST OF DRUGS PURCHASED THROUGH THE PROGRAM.~~

31 (D) (1) EACH ENTITY THAT PARTICIPATES IN THE MARYLAND RX PROGRAM
32 SHALL BE RESPONSIBLE FOR THE COST OF DRUGS PURCHASED BY OR ON BEHALF OF
33 THE ENTITY.

34 (2) THE COST OF DRUGS PURCHASED BY OR ON BEHALF OF THE STATE
35 EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM SHALL BE

1 PAID IN ACCORDANCE WITH THE STATE BUDGET AND THE PROVISIONS OF THIS
2 SUBTITLE.

3 (E) (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE
4 STATE MAY:

5 (1) PROVIDE START-UP FUNDS FOR THE MARYLAND RX PROGRAM; AND

6 (2) RECOUP ANY START-UP FUNDS FROM SAVINGS ACHIEVED FOR
7 PARTICIPATING ENTITIES THROUGH THE MARYLAND RX PROGRAM.

8 (F) THE DEPARTMENT MAY:

9 (1) CHARGE AN ADMINISTRATIVE FEE TO AN ENTITY SUFFICIENT TO
10 OFFSET ITS THE ADMINISTRATIVE COSTS TO PERSONS THAT PARTICIPATE
11 RESULTING FROM THE ENTITY'S PARTICIPATION IN THE MARYLAND RX PROGRAM;
12 AND

13 (2) CONTRACT WITH A PHARMACY BENEFIT MANAGER OR OTHER
14 ENTITY TO ADMINISTER THE MARYLAND RX PROGRAM.

15 (G) IF THE DEPARTMENT CONTRACTS WITH A PHARMACY BENEFIT MANAGER
16 OR OTHER ENTITY TO ADMINISTER THE MARYLAND RX PROGRAM, THE DEPARTMENT
17 SHALL CONSIDER CONTRACTING WITH A NONPROFIT ENTITY.

18 (H) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THIS
19 SECTION.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act
21 do not apply to any contract entered into under the State Employee and Retiree Health
22 and Welfare Benefit Plan before January 1, 2006 by the Department of Budget and
23 Management for the purchase of prescription drugs.

24 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect ~~October~~ July 1, 2005.