
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

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Assigned to: Health and Government Operations

Reassigned: Health and Government Operations and Appropriations, February 18, 2005

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2005

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,
 13 persons participating in the Maryland Rx Program to bear a certain cost
 14 requiring each entity that participates in the Maryland Rx Program to be
 15 responsible for the cost of drugs purchased by or on behalf of the entity;
 16 requiring the cost of drugs purchased by or on behalf of the State Employee and
 17 Retiree Health and Welfare Benefits Program to be paid in accordance with the
 18 State budget and certain provisions of law; authorizing the State to provide
 19 start-up funds for the Maryland Rx Program and recoup any start-up funds
 20 from certain savings; authorizing the Department to charge a certain fee and
 21 contract with certain entities; requiring the Department to consider contracting

1 with a nonprofit entity under certain circumstances; requiring the Department
 2 to adopt certain regulations; defining ~~certain terms~~ a certain term; and
 3 generally relating to the establishment of a Maryland Rx Program.

4 ~~BY adding to~~

5 ~~Article - Health - General~~

6 ~~Section 15-601 to be under the new subtitle "Subtitle 6. Maryland Rx Program"~~

7 ~~Annotated Code of Maryland~~

8 ~~(2000 Replacement Volume and 2004 Supplement)~~

9 BY adding to

10 Article - State Personnel and Pensions

11 Section 2-502.1

12 Annotated Code of Maryland

13 (2004 Replacement Volume)

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

16 ~~Article - Health - General~~

17 ~~SUBTITLE 6. MARYLAND RX PROGRAM.~~

18 ~~45-601.~~

19 Article - State Personnel and Pensions

20 2-502.1.

21 (A) ~~(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 22 ~~INDICATED.~~

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

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

26 (B) THE DEPARTMENT SHALL ESTABLISH A MARYLAND RX PROGRAM ~~THAT~~
 27 ~~MAKES PRESCRIPTION DRUGS AVAILABLE AT REDUCED COST TO ACHIEVE SAVINGS~~
 28 ~~ON THE COST OF PRESCRIPTION DRUGS FOR;~~

29 (1) THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE
 30 BENEFITS PROGRAM; AND

31 (2) ANY BUSINESS, LOCAL GOVERNMENT, OR OTHER ENTITY THAT
 32 SATISFIES THE CONDITIONS FOR PARTICIPATION ESTABLISHED BY THE
 33 DEPARTMENT.

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

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

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

4 (3) NEGOTIATED DISCOUNTS; AND

5 (4) OTHER COST-SAVING MEASURES.

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

7 ~~(1) BE THE PRESCRIPTION DRUG BENEFIT PLAN FOR ENROLLEES OF~~
8 ~~THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM;~~
9 ~~AND~~

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

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

14 ~~(1) FIRST IDENTIFIES THE RELATIVE EFFECTIVENESS OF~~
15 ~~PRESCRIPTION DRUGS WITHIN THERAPEUTIC CLASSES FOR PARTICULAR DISEASES~~
16 ~~AND CONDITIONS; AND~~

17 ~~(2) NEXT IDENTIFIES THE LEAST COSTLY PRESCRIPTION DRUGS,~~
18 ~~INCLUDING GENERIC DRUGS, AMONG THE DRUGS FOUND TO BE EQUALLY~~
19 ~~EFFECTIVE.~~

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

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

26 (2) THE COST OF DRUGS PURCHASED BY OR ON BEHALF OF THE STATE
27 EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM SHALL BE
28 PAID IN ACCORDANCE WITH THE STATE BUDGET AND THE PROVISIONS OF THIS
29 SUBTITLE.

30 (E) (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE
31 STATE MAY:

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

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

1 (F) THE DEPARTMENT MAY:

2 (1) CHARGE AN ADMINISTRATIVE FEE TO AN ENTITY SUFFICIENT TO
3 ~~OFFSET ITS THE ADMINISTRATIVE COSTS TO PERSONS THAT PARTICIPATE~~
4 RESULTING FROM THE ENTITY'S PARTICIPATION IN THE MARYLAND RX PROGRAM;
5 AND

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

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

11 (H) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THIS
12 SECTION.

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