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By: ~~Senator Middleton~~ Senators Middleton, Astle, Della, Exum, Gladden,  
Hafer, Hooper, Kelley, Klausmeier, Pipkin, and Teitelbaum

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Committee Report: Favorable with amendments

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Senior Prescription Drug Program – Sunset Extension~~  
 3 Maryland Pharmacy Programs - Modifications and Subsidies for Medicare  
 4 Drug Benefits

5 FOR the purpose of ~~extending the termination date of the Senior Prescription Drug~~  
 6 ~~Program; and generally relating to the Senior Prescription Drug Program.~~  
 7 renaming the Senior Prescription Drug Program to be the Senior Prescription  
 8 Drug Assistance Program; altering the eligibility requirements for and purpose  
 9 of the Program; requiring the Program to provide a State subsidy for the cost of  
 10 a portion of Medicare Part D or Medicare Advantage Plan premiums and  
 11 deductibles; altering the amount of the subsidy a certain nonprofit health  
 12 service plan is required to provide to the Program; repealing the requirement  
 13 that a certain nonprofit health service plan administer the Program; requiring  
 14 the Board of Directors of the Maryland Health Insurance Plan to contract with  
 15 a third party to administer the Program; specifying the amount of the subsidy  
 16 provided to enrollees by the Program; requiring an enrollee to pay a certain  
 17 copayment or coinsurance amount; requiring the Program to establish a certain  
 18 subsidy limit; altering the method of payment to the Program Administrator;  
 19 repealing a requirement that certain rebates or other discounts inure to the  
 20 benefit of the Program and be deposited to the Maryland Health Insurance Plan  
 21 Fund; altering certain eligibility requirements for the Maryland Pharmacy  
 22 Assistance Program; establishing the Medicare Option Prescription Drug  
 23 Program; establishing the purpose, administration, operation, and eligibility  
 24 requirements of the Medicare Option Prescription Drug Program; authorizing  
 25 the Secretary of Health and Mental Hygiene to administer the Medicare Option  
 26 Prescription Drug Program as part of the Maryland Medical Assistance  
 27 Program; authorizing the Department of Health and Mental Hygiene to take

1 certain actions; requiring the Medicare Option Prescription Drug Program to  
2 provide benefits to certain individuals; requiring the Secretary to adopt  
3 regulations to implement the Medicare Option Prescription Drug Program;  
4 extending the termination date of the Senior Prescription Drug Program until a  
5 certain date; authorizing the Board of Directors of the Maryland Health  
6 Insurance Plan to automatically transfer certain enrollees of the Senior  
7 Prescription Drug Program into the Senior Prescription Drug Assistance  
8 Program; authorizing the Board of Directors of the Maryland Health Insurance  
9 Plan to automatically assign certain enrollees to a Medicare Part D plan under  
10 certain circumstances, and to extend certain benefits to certain enrollees until a  
11 certain date, subject to certain limitations; providing that it is the intent of the  
12 General Assembly that the Medicare Option Prescription Drug Program be the  
13 payor of last resort and only cover certain costs; requiring the Secretary of  
14 Health and Mental Hygiene to provide certain notice to the Department of  
15 Legislative Services; altering certain definitions; defining certain terms;  
16 providing for the effective date of certain provisions of this Act; and generally  
17 relating to Maryland pharmacy programs.

18 BY repealing and reenacting, with amendments,  
19 Article - Insurance  
20 Section 14-106(c), (d), and (e), 14-504(b) and (e), and 14-510 through 14-513  
21 Annotated Code of Maryland  
22 (2002 Replacement Volume and 2004 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article - Insurance  
25 Section 14-504(a), 14-514, and 14-515  
26 Annotated Code of Maryland  
27 (2002 Replacement Volume and 2004 Supplement)

28 BY repealing and reenacting, with amendments,  
29 Article - Health - General  
30 Section 15-103(d) and 15-124(a) and (e)  
31 Annotated Code of Maryland  
32 (2000 Replacement Volume and 2004 Supplement)

33 BY adding to  
34 Article - Health - General  
35 Section 15-124.3  
36 Annotated Code of Maryland  
37 (2000 Replacement Volume and 2004 Supplement)

38 BY repealing and reenacting, with amendments,  
39 Chapter 153 of the Acts of the General Assembly of 2002  
40 Section 13

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

3 **Article - Insurance**

4 14-106.

5 (c) A nonprofit health service plan may satisfy the public service requirement  
6 of this section by establishing that, to the extent the value of the nonprofit health  
7 service plan's premium tax exemption under § 6-101(b) of this article exceeds the  
8 subsidy required under the Senior Prescription Drug ASSISTANCE Program  
9 established under Subtitle 5, Part II of this title, the plan has:

10 (1) increased access to, or the affordability of, one or more health care  
11 products or services by offering and selling health care products or services that are  
12 not required or provided for by law;

13 (2) provided financial or in-kind support for public health programs;

14 (3) employed underwriting standards in a manner that increases the  
15 availability of one or more health care services or products;

16 (4) employed pricing policies that enhance the affordability of health  
17 care services or products and result in a higher medical loss ratio than that  
18 established by a comparable for-profit health insurer; or

19 (5) served the public interest by any method or practice approved by the  
20 Commissioner.

21 (d) Notwithstanding subsection (c) of this section, a nonprofit health service  
22 plan that is subject to this section and issues comprehensive health care benefits in  
23 the State shall:

24 (1) offer health care products in the individual market;

25 (2) offer health care products in the small employer group market in  
26 accordance with Title 15, Subtitle 12 of this article; and

27 (3) [administer and] subsidize the Senior Prescription Drug  
28 ASSISTANCE Program established under Title 14, Subtitle 5, Part II of this title.

29 (e) The subsidy required under the Senior Prescription Drug ASSISTANCE  
30 Program may not exceed:

31 (1) FOR THE PERIOD OF JANUARY 1, 2006, THROUGH JUNE 30, 2006,  
32 \$8,000,000;

33 (2) FOR FISCAL YEAR 2007, \$14,000,000; AND

1           (3)     FOR ANY YEAR, the value of the nonprofit health service plan's  
2 premium tax exemption under § 6-101(b) of this article.

3 14-504.

4     (a)     (1)     There is a Maryland Health Insurance Plan Fund.

5           (2)     The Fund is a special nonlapsing fund that is not subject to § 7-302 of  
6 the State Finance and Procurement Article.

7           (3)     The Treasurer shall separately hold and the Comptroller shall  
8 account for the Fund.

9           (4)     The Fund shall be invested and reinvested at the direction of the  
10 Board in a manner that is consistent with the requirements of Title 5, Subtitle 6 of  
11 this article.

12          (5)     Any investment earnings shall be retained to the credit of the Fund.

13          (6)     On an annual basis, the Fund shall be subject to an independent  
14 actuarial review setting forth an opinion relating to reserves and related actuarial  
15 items held in support of policies and contracts.

16          (7)     The Fund shall be used only to provide funding for the purposes  
17 authorized under this subtitle.

18     (b)     The Fund shall consist of:

19           (1)     premiums for coverage that the Plan issues;

20           (2)     except as provided in § 14-513(a) of this subtitle, premiums paid by  
21 enrollees of the Senior Prescription Drug ASSISTANCE Program;

22           (3)     money collected in accordance with § 19-219 of the Health - General  
23 Article;

24           (4)     money deposited by a carrier in accordance with § 14-513 of this  
25 subtitle;

26           (5)     income from investments that the Board makes or authorizes on  
27 behalf of the Fund;

28           (6)     interest on deposits or investments of money from the Fund;

29           (7)     premium tax revenue collected under § 14-107 of this title;

30           (8)     money collected by the Board as a result of legal or other actions  
31 taken by the Board on behalf of the Fund;

32           (9)     money donated to the Fund; and

1           (10)   money awarded to the Fund through grants.

2           (e)    (1)    In addition to the operation and administration of the Plan, the Fund  
3 shall be used for the operation and administration of the Senior Prescription Drug  
4 ASSISTANCE Program established under Part II of this subtitle.

5           (2)    The Board shall maintain separate accounts within the Fund for the  
6 Senior Prescription Drug ASSISTANCE Program and the Maryland Health Insurance  
7 Plan.

8           (3)    Accounts within the Fund shall contain those moneys that are  
9 intended to support the operation of the Program for which the account is designated.

10 14-510.

11          (a)    In Part II of this subtitle the following words have the meanings indicated.

12          (b)    "Eligible individual" means an individual who:

13               (1)    is a resident of Maryland;

14               (2)    is a Medicare beneficiary ENROLLED IN THE MEDICARE PART D  
15 VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM OR A MEDICARE ADVANTAGE  
16 PLAN THAT PROVIDES PART D COVERAGE;

17               (3)    is not enrolled in a [Medicare Plus Choice managed care program or  
18 other insurance program] HEALTH BENEFIT PLAN, OTHER THAN A MEDICARE PART D  
19 PRESCRIPTION DRUG PLAN OR A MEDICARE ADVANTAGE PLAN, that provides  
20 prescription drug benefits at the time that the individual applies for enrollment in the  
21 [Plan] PROGRAM;

22               (4)    has an annual household income at or below 300% of the federal  
23 poverty guidelines; [and]

24               (5)    IS NOT ELIGIBLE FOR A FULL FEDERAL LOW-INCOME SUBSIDY  
25 UNDER 42 C.F.R. § 423.722; AND

26               [(5)]   (6)    pays the premium [and copayments], AND COPAYMENTS OR  
27 COINSURANCE, for the [Plan] PROGRAM.

28          (c)    "Enrollee" means an individual enrolled in the [Plan] PROGRAM.

29          (d)    "Program" means the Senior Prescription Drug ASSISTANCE Program  
30 established under Part II of this subtitle.

31 14-511.

32          (a)    There is a Senior Prescription Drug ASSISTANCE Program.

33          (b)    The purpose of the Program is to provide Medicare PART D beneficiaries,  
34 who [lack prescription drug coverage, with access to affordable, medically necessary

1 prescription drugs until such time as an outpatient prescription drug benefit is  
2 provided through the federal Medicare program] MEET PROGRAM ELIGIBILITY  
3 REQUIREMENTS, WITH A STATE SUBSIDY FOR A PORTION OF THEIR:

4 (1) MEDICARE PART D PRESCRIPTION DRUG PLAN PREMIUM AND  
5 DEDUCTIBLE; OR

6 (2) MEDICARE ADVANTAGE PLAN PREMIUM AND DEDUCTIBLE RELATED  
7 TO A PRESCRIPTION DRUG BENEFIT.

8 (c) [The Program shall be administered by a carrier as provided under §  
9 14-106(d) of this title] THE BOARD SHALL CONTRACT WITH A THIRD PARTY TO  
10 ADMINISTER THE PROGRAM.

11 (d) The [carrier that administers] ADMINISTRATOR OF the Program shall:

12 (1) submit a detailed financial accounting of the Program to the Board as  
13 often as the Board requires;

14 (2) collect and submit to the Board data regarding the utilization  
15 patterns and costs for Program enrollees; and

16 (3) develop and implement a marketing plan targeted at eligible  
17 individuals throughout the State.

18 14-512.

19 (a) The Program shall:

20 (1) subject to the moneys available in the segregated account under §  
21 14-504 of this subtitle, provide benefits to the maximum number of individuals  
22 eligible for enrollment in the Program; AND

23 [(2) require a monthly premium charge of \$10 per enrollee;

24 (3) not require a deductible; and

25 (4) limit the copay charged an enrollee to:

26 (i) \$10 for a prescription for a generic drug;

27 (ii) \$20 for a prescription for a preferred brand name drug; and

28 (iii) \$35 for a prescription for a nonpreferred brand name drug.]

29 (2) PROVIDE A STATE SUBSIDY FOR A PORTION OF THE COST OF  
30 MEDICARE PART D AND MEDICARE ADVANTAGE PLAN DRUG-RELATED PREMIUMS  
31 AND DEDUCTIBLES.

1 (b) [The Board may limit the total annual benefit to \$1,000 per individual]  
 2 THE SUBSIDY REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE EQUAL  
 3 TO:

4 (1) FOR THE MEDICARE PART D PRESCRIPTION DRUG PLAN OR  
 5 MEDICARE ADVANTAGE PLAN DRUG-RELATED PREMIUM:

6 (I) FOR INDIVIDUALS WHO DO NOT QUALIFY FOR A FEDERAL  
 7 LOW-INCOME SUBSIDY, AT LEAST \$25 PER ENROLLEE PER MONTH; AND

8 (II) FOR INDIVIDUALS WHO QUALIFY FOR A PARTIAL FEDERAL  
 9 LOW-INCOME SUBSIDY, THE LESSER OF:

10 1. THE AMOUNT PROVIDED UNDER ITEM (I) OF THIS ITEM;  
 11 OR

12 2. THE FULL AMOUNT OF THE ENROLLEE SHARE OF THE  
 13 PREMIUM; AND

14 (2) FOR THE MEDICARE PART D PRESCRIPTION DRUG PLAN OR  
 15 MEDICARE ADVANTAGE PLAN DRUG-RELATED DEDUCTIBLE, THE TOTAL AMOUNT OF  
 16 THE DEDUCTIBLE, LESS THE COPAYMENT OR COINSURANCE AMOUNT SPECIFIED IN  
 17 SUBSECTION (C) OF THIS SECTION.

18 (c) [Subject to approval by the Board, the carrier that administers the  
 19 Program shall develop a prescription drug formulary to be used in the Program] AN  
 20 ENROLLEE SHALL PAY A COPAYMENT OR COINSURANCE AMOUNT, INSTEAD OF A  
 21 DEDUCTIBLE, EQUAL TO THE INITIAL COPAYMENT OR COINSURANCE AMOUNT FOR  
 22 WHICH THE ENROLLEE RESPONSIBLE UNDER THE ENROLLEE'S MEDICARE PART D  
 23 PRESCRIPTION DRUG PLAN OR MEDICARE ADVANTAGE PLAN AFTER THE  
 24 DEDUCTIBLE IS SATISFIED.

25 (D) THE PROGRAM SHALL ESTABLISH AN ANNUAL SUBSIDY LIMIT FOR AN  
 26 ENROLLEE.

27 14-513.

28 (a) As determined by the Board, premiums collected for the Program shall be  
 29 deposited:

30 (1) to a segregated account in the Fund established under § 14-504 of  
 31 this subtitle; or

32 (2) to a separate account for the Program established by the [carrier  
 33 that administers the] Program ADMINISTRATOR.

34 (b) In addition to premium income, the segregated account shall include:

35 (1) interest and investment income attributable to Program funds; and

1           (2)     money deposited to the account by [the carrier that administers the  
2 Program] A NONPROFIT HEALTH SERVICE PLAN, in accordance with subsection (c) of  
3 this section.

4     (c)     (1)     On or before April 1, 2003 and quarterly thereafter, the [Program  
5 Administrator] NONPROFIT HEALTH SERVICE PLAN REQUIRED TO SUBSIDIZE THE  
6 PROGRAM UNDER § 14-106(D) OF THIS TITLE shall deposit to the Fund under § 14-504  
7 of this subtitle the amount, in excess of premiums collected, that is necessary to  
8 operate and administer the Program for the following quarter.

9           (2)     The amount deposited shall be determined by the Board based on  
10 enrollment, expenditures, and revenue for the previous year.

11          (3)     The amount required by the Board under paragraph (2) of this  
12 subsection may not exceed [the value of the Program Administrator's annual  
13 premium tax exemption under § 6-101(b) of this article for the previous calendar  
14 year] THE AMOUNTS SPECIFIED IN § 14-106(E) OF THIS TITLE.

15          (4)     [Beginning July 1 of each year and quarterly thereafter, the Board  
16 shall reimburse the Administrator] THE BOARD SHALL PROVIDE FUNDS TO THE  
17 ADMINISTRATOR, IN ACCORDANCE WITH THE TERMS OF THE CONTRACT WITH THE  
18 ADMINISTRATOR, for [prescription drug claims] THE COST OF THE STATE SUBSIDY  
19 and administrative expenses incurred on behalf of the Program.

20          (5)     Any rebates or other discounts obtained by the Program  
21 Administrator as a result of prescription drug purchases on behalf of Program  
22 enrollees from a pharmaceutical benefit manager or pharmaceutical manufacturer  
23 shall inure to the benefit of the Program and be deposited to the Fund.]

24 14-514.

25     (a)     On or before June 30 of each year, the Board shall submit a report to the  
26 Governor and, in accordance with § 2-1246 of the State Government Article, to the  
27 General Assembly that includes a summary of Program activities for the year and any  
28 recommendations for consideration by the General Assembly.

29     (b)     The Board shall adopt regulations to carry out Part II of this subtitle.

30 14-515.

31     (a)     For the purpose of maximizing participation in the Program, the Board  
32 may develop outreach materials for distribution to eligible individuals.

33     (b)     The Board shall publicize the existence and eligibility requirements of the  
34 Program through the following entities:

35           (1)     the Department of Aging;

36           (2)     local health departments;



1 (3) continuing care retirement communities;

2 (4) places of worship;

3 (5) civic organizations;

4 (6) community pharmacies; and

5 (7) any other entity that the Board determines appropriate.

6 (c) The Department of Aging, through its Senior Health Insurance Program,  
7 shall:

8 (1) assist eligible individuals in applying for coverage under the  
9 Program; and

10 (2) provide notice of the Program and its eligibility requirements to  
11 potentially eligible individuals who seek health insurance counseling services  
12 through the Department of Aging.

13 (d) The Board shall develop a mail-in application for the Program.

14 (e) Any outreach performed by the Board on behalf of the Program shall be  
15 funded through the Program's segregated account within the Fund.

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
17 read as follows:

18 **Article - Health - General**

19 15-124.

20 (a) The Department shall maintain a Maryland Pharmacy Assistance  
21 Program for low income individuals NOT ELIGIBLE FOR MEDICARE whose:

22 (1) Assets are not more than the level established by the Federal Centers  
23 for Medicare and Medicaid Services under the Qualified Medicare Beneficiary  
24 Program; and

25 (2) Gross annual income does not exceed 116% of the federal poverty  
26 guidelines for an individual, or 100% of the federal poverty guidelines for a family of  
27 two or more.

28 (e) The Secretary shall develop a program, in consultation with appropriate  
29 agencies, that will provide information to ineligible Maryland Pharmacy Assistance  
30 Program applicants regarding other programs that they may be eligible for including  
31 the Maryland Medbank Program established under § 15-124.2 of this subtitle and the  
32 Senior Prescription Drug ASSISTANCE Program established under Title 14, Subtitle 5  
33 of the Insurance Article.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
2 read as follows:

3 Article - Health - General

4 15-103.

5 (d) As permitted by federal law or waiver, the Secretary [shall] MAY  
6 administer the [Maryland Pharmacy Discount] MEDICARE OPTION PRESCRIPTION  
7 DRUG Program, established under § 15-124.3 of this subtitle, as part of the Maryland  
8 Medical Assistance Program.

9 15-124.3.

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
11 INDICATED.

12 (2) "ENROLLEE" MEANS AN INDIVIDUAL WHO IS ENROLLED IN THE  
13 PROGRAM.

14 (3) "MEDICARE MODERNIZATION ACT" MEANS THE FEDERAL MEDICARE  
15 PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003.

16 (4) "MEDICARE PART D PRESCRIPTION DRUG BENEFIT" MEANS THE  
17 PRESCRIPTION DRUG BENEFIT ESTABLISHED BY THE MEDICARE MODERNIZATION  
18 ACT UNDER PART D OF THE FEDERAL MEDICARE PROGRAM.

19 (5) "PRESCRIPTION DRUG PLAN" MEANS A PRIVATE HEALTH PLAN THAT  
20 PROVIDES A MEDICARE PART D PRESCRIPTION DRUG BENEFIT IN ACCORDANCE  
21 WITH THE REQUIREMENTS OF THE MEDICARE MODERNIZATION ACT.

22 (6) "PROGRAM" MEANS THE MEDICARE OPTION PRESCRIPTION DRUG  
23 PROGRAM ESTABLISHED UNDER THIS SECTION.

24 (B) THERE IS A MEDICARE OPTION PRESCRIPTION DRUG PROGRAM WITHIN  
25 THE MARYLAND MEDICAL ASSISTANCE PROGRAM.

26 (C) THE PURPOSE OF THE PROGRAM IS TO:

27 (1) ASSIST LOW-INCOME MEDICARE ELIGIBLE INDIVIDUALS TO MAKE A  
28 SEAMLESS TRANSITION TO, AND COORDINATE PRESCRIPTION DRUG COVERAGE  
29 WITH, THE MEDICARE PART D PRESCRIPTION DRUG BENEFIT; AND

30 (2) MINIMIZE THE COST-SHARING BURDEN ON THE INDIVIDUALS.

31 (D) THE PROGRAM SHALL BE ADMINISTERED AND OPERATED BY THE  
32 DEPARTMENT AS PERMITTED BY FEDERAL LAW OR WAIVER.

33 (E) (1) THE PROGRAM SHALL BE OPEN TO ANY INDIVIDUAL WHO:

34 (I) IS A RESIDENT OF THE STATE;

1 (II) IS A MEDICARE BENEFICIARY;

2 (III) IS NOT ENROLLED IN A MEDICARE ADVANTAGE PLAN OR  
3 OTHER PUBLIC OR PRIVATE INSURANCE PROGRAM, EXCEPT FOR MEDICAID AND THE  
4 MARYLAND PHARMACY ASSISTANCE PROGRAM, THAT PROVIDES PRESCRIPTION  
5 DRUG BENEFITS AT THE TIME THAT THE INDIVIDUAL APPLIES FOR ENROLLMENT IN  
6 THE PROGRAM;

7 (IV) HAS AN ANNUAL HOUSEHOLD INCOME BELOW 150 PERCENT OF  
8 THE FEDERAL POVERTY LEVEL; AND

9 (V) MEETS THE ASSET TEST ESTABLISHED BY THE MEDICARE  
10 MODERNIZATION ACT UNDER MEDICARE PART D.

11 (2) INDIVIDUALS WHO ARE DUALLY ELIGIBLE FOR MEDICARE AND  
12 MEDICAID, OR MEDICARE AND THE MARYLAND PHARMACY ASSISTANCE PROGRAM,  
13 MAY BE ENROLLED AUTOMATICALLY IN THE PROGRAM, PROVIDED THAT THEY MAY  
14 ELECT TO OPT OUT OF THE PROGRAM.

15 (3) ENROLLMENT IN THE PROGRAM FOR INDIVIDUALS WHO ARE  
16 DUALLY ELIGIBLE FOR MEDICARE AND MEDICAID SHALL BEGIN NOT LATER THAN  
17 THE DATE ON WHICH THE AUTO-ENROLLMENT PERIOD FOR THE FEDERAL  
18 MEDICARE PART D PROGRAM BEGINS.

19 (4) THE DEPARTMENT SHALL DETERMINE THE PROCEDURES FOR  
20 AUTOMATIC ENROLLMENT IN, AND ELECTION TO OPT OUT OF, THE PROGRAM.

21 (5) INDIVIDUALS WHO MEET THE ELIGIBILITY REQUIREMENTS OF  
22 PARAGRAPH (1) OF THIS SUBSECTION BUT WHO ARE NOT DUALLY ELIGIBLE FOR  
23 MEDICARE AND EITHER MEDICAID OR THE MARYLAND PHARMACY ASSISTANCE  
24 PROGRAM MAY APPLY FOR ENROLLMENT IN THE MEDICARE OPTION PRESCRIPTION  
25 DRUG PROGRAM BY SUBMITTING AN APPLICATION TO THE DEPARTMENT.

26 (F) THE DEPARTMENT MAY:

27 (1) ENTER INTO A CONTRACT WITH ONE OR MORE PRESCRIPTION DRUG  
28 PLANS TO COORDINATE THE PRESCRIPTION DRUG BENEFITS PROVIDED UNDER THE  
29 PROGRAM AND THE MEDICARE PART D PRESCRIPTION DRUG BENEFIT;

30 (2) REQUIRE A PHARMACEUTICAL MANUFACTURER TO PROVIDE  
31 REBATES IN AN AMOUNT NOT LESS THAN THE REBATES PROVIDED TO THE  
32 MEDICAID PROGRAM UNDER § 1927(C) OF TITLE XIX OF THE SOCIAL SECURITY ACT (42  
33 U.S.C. § 1396R-8) AS A CONDITION OF THE PHARMACEUTICAL MANUFACTURER'S  
34 PRODUCTS BEING AVAILABLE TO ENROLLEES;

35 (3) ENROLL ELIGIBLE INDIVIDUALS INTO A PRESCRIPTION DRUG PLAN  
36 UNDER CONTRACT WITH THE DEPARTMENT, WITH AN OPT OUT PROVISION AT THE  
37 INDIVIDUAL'S DISCRETION;



1 Secretary of Health and Mental Hygiene shall notify the Department of Legislative  
2 Services, 90 State Circle, Annapolis, Maryland 21401 no later than 15 days after the  
3 date prescription drug benefits provided by Medicare Part D become available.

4 (5) Beginning April 1, 2003, the carrier required to offer the Short-Term  
5 Prescription Drug Subsidy Plan under Title 15, Subtitle 6 of the Health - General  
6 Article and the Senior Prescription Drug Program under Title 14, Subtitle 5 of the  
7 Insurance Article shall subsidize the Plan and beginning July 1, 2003, the Program,  
8 using the value of the carrier's premium tax exemption.

9 SECTION 4. AND BE IT FURTHER ENACTED, That:

10 (a) The Board of Directors of the Maryland Health Insurance Plan may  
11 transfer automatically each individual enrolled in the Senior Prescription Drug  
12 Program on December 31, 2005, into the Senior Prescription Drug Assistance  
13 Program on the effective date of Section 1 of this Act.

14 (b) The Board of Directors of the Maryland Health Insurance Plan may assign  
15 automatically and at random a Senior Prescription Drug Assistance Program enrollee  
16 to a Medicare Part D plan if, on the effective date of Section 1 of this Act, the enrollee  
17 has not selected a Medicare Part D plan or Medicare Advantage Plan.

18 SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding the  
19 effective date of the changes to the Senior Prescription Drug Program, as enacted by  
20 Sections 1 and 3 of this Act, the Board of Directors of the Maryland Health Insurance  
21 Plan, subject to the limitation on Program funding enacted by Section 1 of this Act,  
22 may extend, for up to 60 days after the availability of prescription drug benefits  
23 provided by Medicare Part D under Title XVIII of the Social Security Act, as amended,  
24 the full benefits of the Program, as the benefits existed prior to the availability of  
25 prescription drug benefits provided by Medicare Part D, to Program enrollees.

26 SECTION 6. AND BE IT FURTHER ENACTED, That it is the intent of the  
27 General Assembly that the Medicare Option Prescription Drug Program established  
28 under Section 3 of this Act be the payor of last resort and only cover costs for enrollees  
29 that are not covered under Part D of the federal Medicare program.

30 SECTION 7. AND BE IT FURTHER ENACTED, That Sections 1 and 2 of this  
31 Act shall take effect on the later of January 1, 2006 or the availability of prescription  
32 drug benefits provided by Medicare Part D under Title XVIII of the Social Security  
33 Act, as amended. The Secretary of Health and Mental Hygiene shall notify the  
34 Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401 no  
35 later than 15 days after the date prescription drug benefits provided by Medicare  
36 Part D become available.

37 SECTION ~~2~~ 8. AND BE IT FURTHER ENACTED, That, except as provided in  
38 Section 7 of this Act, this Act shall take effect July 1, 2005.

