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By: **Delegate C. Davis**

Introduced and read first time: January 18, 2006

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **State Personnel - State Employee and Retiree Health and Welfare Benefits**  
3                                   **Program - Prescription Drug Benefit Options**

4 FOR the purpose of requiring the State Employee and Retiree Health and Welfare  
5 Benefits Program to provide the same prescription drug benefit options to  
6 employees and retirees and their dependents as provided on a certain date;  
7 providing for the effective date of certain provisions of this Act; providing for the  
8 termination of certain provisions of this Act; and generally relating to the State  
9 Employee and Retiree Health and Welfare Benefits Program and prescription  
10 drug benefit options.

11 BY repealing and reenacting, with amendments,  
12 Article - State Personnel and Pensions  
13 Section 2-502  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2005 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - State Personnel and Pensions  
18 Section 2-502  
19 Annotated Code of Maryland  
20 (2004 Replacement Volume and 2005 Supplement)  
21 (As enacted by Chapter 444 of the Acts of the General Assembly of 2005)

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

24                                   **Article - State Personnel and Pensions**

25 2-502.

26 (a) There is a State Employee and Retiree Health and Welfare Benefits  
27 Program, to be developed and administered by the Secretary.

1 (b) (1) The Program:

2 (i) subject to the regulations adopted under § 2-503 of this subtitle,  
3 shall encompass all units in the Executive, Judicial, and Legislative branches of State  
4 government, including any unit with an independent personnel system;

5 (ii) except as provided in [subsection (c)] SUBSECTIONS (C) AND (D)  
6 of this section, shall include the health insurance benefit options established by the  
7 Secretary; and

8 (iii) except as provided in paragraph (2) of this subsection and  
9 [subsection (c)] SUBSECTIONS (C) AND (D) of this section, may include any other  
10 benefit option that the Secretary considers appropriate.

11 (2) The Program may not contain any of the benefits provided under  
12 Division II or Title 35 or Title 37 of this article.

13 (c) (1) Except as provided in paragraph (2) of this subsection, in fiscal years  
14 2006 and 2007, the Program shall provide the same health insurance benefits  
15 options[, prescription drug benefit options,] AND co-premiums and co-payments to  
16 employees and retirees and their dependents as provided on January 1, 2005.

17 (2) In fiscal years 2006 and 2007:

18 (i) the employee or retiree share of the premium for the employee  
19 or retiree and their dependents for the point of service health plan may increase to  
20 17%; AND

21 (ii) the Program may include disease management programs[;

22 (iii) the Prescription Drug Benefit Plan shall offer a voluntary mail  
23 order option and the Prescription Drug Benefit Plan may charge enrollees the  
24 following co-payments for prescription drugs:

25 1. \$5 for generic drugs;

26 2. \$15 for preferred drugs on the State formulary; and

27 3. \$25 for drugs that are not preferred drugs on the State  
28 formulary;

29 (iv) the Prescription Drug Benefit Plan may charge a co-payment  
30 as provided in item (iii) of this subsection for each 45 day prescription;

31 (v) for each fiscal year, the total amount of co-payments charged  
32 the employee or retiree and their dependents as provided in item (iii) of this  
33 subsection may not exceed \$700; and

34 (vi) the Prescription Drug Benefit Plan may include the following  
35 programmatic changes:

- 1 implementation of a step therapy program to assure that  
2 lower cost alternatives are used first;
- 3 2. changes in the pharmacy network;
- 4 3. limitations on the first prescription for a maintenance  
5 drug;
- 6 4. limitations on the quantity of drugs dispensed to reduce  
7 inappropriate or excessive drug usage;
- 8 5. requirements for prior authorization of drugs to ensure  
9 that they are medically necessary; and
- 10 6. implementation of a drug utilization review program].

11 (D) THE PROGRAM SHALL PROVIDE THE SAME PRESCRIPTION DRUG BENEFIT  
12 OPTIONS TO EMPLOYEES AND RETIREES AND THEIR DEPENDENTS AS PROVIDED ON  
13 JANUARY 1, 2005.

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

16 **Article - State Personnel and Pensions**

17 2-502.

18 (a) There is a State Employee and Retiree Health and Welfare Benefits  
19 Program, to be developed and administered by the Secretary.

20 (b) (1) The Program:

21 (i) subject to the regulations adopted under § 2-503 of this subtitle,  
22 shall encompass all units in the Executive, Judicial, and Legislative branches of State  
23 government, including any unit with an independent personnel system;

24 (ii) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,  
25 shall include the health insurance benefit options established by the Secretary; and

26 (iii) except as provided in paragraph (2) of this subsection AND  
27 SUBSECTION (C) OF THIS SECTION, may include any other benefit option that the  
28 Secretary considers appropriate.

29 (2) The Program may not contain any of the benefits provided under  
30 Division II or Title 35 or Title 37 of this article.

31 (C) THE PROGRAM SHALL PROVIDE THE SAME PRESCRIPTION DRUG BENEFIT  
32 OPTIONS TO EMPLOYEES AND RETIREES AND THEIR DEPENDENTS AS PROVIDED ON  
33 JANUARY 1, 2005.

1 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
2 take effect on the taking effect of the termination provision specified in Section 43 of  
3 Chapter 444 of the Acts of the General Assembly of 2005. If that termination provision  
4 takes effect, Section 1 of this Act shall be abrogated and of no further force and effect.  
5 This Act may not be interpreted to have any effect on that termination provision.

6 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions  
7 of Section 3 of this Act, this Act shall take effect July 1, 2006.