
By: **Delegate C. Davis**

Introduced and read first time: January 18, 2006

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2006

CHAPTER _____

1 AN ACT concerning

2 **State Personnel – State Employee and Retiree Health and Welfare Benefits**
 3 **Program – Prescription Drug Benefit Options**
 4 **State Employees and Retirees - State Prescription Drug Benefit Plan -**
 5 **Co-Payments**

6 FOR the purpose of ~~requiring the State Employee and Retiree Health and Welfare~~
 7 ~~Benefits Program to provide the same prescription drug benefit options to~~
 8 ~~employees and retirees and their dependents as provided on a certain date;~~
 9 ~~providing for the effective date of certain provisions of this Act; providing for the~~
 10 ~~termination of certain provisions of this Act; and generally relating to the State~~
 11 ~~Employee and Retiree Health and Welfare Benefits Program and prescription~~
 12 ~~drug benefit options establishing a certain limit on the amount of the~~
 13 ~~co-payment that the State Prescription Drug Benefit Plan may charge enrollees~~
 14 ~~for a certain prescription filled through the voluntary mail order option that the~~
 15 ~~Plan is required to offer; making conforming and technical changes; and~~
 16 ~~generally relating to prescription drug benefits for State employees and retirees.~~

17 BY repealing and reenacting, with amendments,
 18 Article - State Personnel and Pensions
 19 Section 2-502(c)
 20 Annotated Code of Maryland
 21 (2004 Replacement Volume and 2005 Supplement)

22 ~~BY repealing and reenacting, with amendments,~~
 23 ~~Article – State Personnel and Pensions~~
 24 ~~Section 2-502~~

1 Annotated Code of Maryland
 2 (2004 Replacement Volume and 2005 Supplement)
 3 (As enacted by Chapter 444 of the Acts of the General Assembly of 2005)

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

6 **Article - State Personnel and Pensions**

7 2-502.

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

10 (b) (1) ~~The Program:~~

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

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

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

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

22 (c) (1) Except as provided in paragraph (2) of this subsection, in fiscal years
 23 2006 and 2007, the Program shall provide the same health insurance benefits
 24 options~~], prescription drug benefit options,~~ ~~AND~~ co-premiums and co-payments to
 25 employees and retirees and their dependents as provided on January 1, 2005.

26 (2) In fiscal years 2006 and 2007:

27 (i) the employee or retiree share of the premium for the employee
 28 or retiree and their dependents for the point of service health plan may increase to
 29 17%; ~~AND~~

30 (ii) the Program may include disease management programs~~];~~

31 (iii) SUBJECT TO ITEM (V) OF THIS PARAGRAPH, the Prescription
 32 Drug Benefit Plan ~~shall offer a voluntary mail order option and the Prescription Drug~~
 33 ~~Benefit Plan~~ may charge enrollees the following co-payments for prescription drugs:

34 1. \$5 for generic drugs;

- 1 2. \$15 for preferred drugs on the State formulary; and
- 2 3. \$25 for drugs that are not preferred drugs on the State
- 3 formulary;

4 (iv) SUBJECT TO ITEM (V) OF THIS PARAGRAPH, the Prescription

5 Drug Benefit Plan may charge a co-payment as provided in item (iii) of this

6 ~~subsection~~ PARAGRAPH for each ~~45-day~~ 45-DAY prescription;

7 (V) THE PRESCRIPTION DRUG BENEFIT PLAN:

8 1. SHALL OFFER A VOLUNTARY MAIL ORDER OPTION TO

9 ENROLLEES; AND

10 2. MAY CHARGE ENROLLEES A CO-PAYMENT NOT

11 EXCEEDING \$20 FOR EACH 90-DAY PRESCRIPTION FILLED THROUGH THE

12 VOLUNTARY MAIL ORDER OPTION;

13 (v) (VI) for each fiscal year, the total amount of co-payments

14 charged the employee or retiree and their dependents as provided in ~~item~~ ITEMS(iii)

15 AND (V) of this ~~subsection~~ PARAGRAPH may not exceed \$700; and

16 (vi) (VII) the Prescription Drug Benefit Plan may include the

17 following programmatic changes:

- 18 1. implementation of a step therapy program to assure that
- 19 lower cost alternatives are used first;
- 20 2. changes in the pharmacy network;
- 21 3. limitations on the first prescription for a maintenance
- 22 drug;
- 23 4. limitations on the quantity of drugs dispensed to reduce
- 24 inappropriate or excessive drug usage;
- 25 5. requirements for prior authorization of drugs to ensure
- 26 that they are medically necessary; and
- 27 6. implementation of a drug utilization review program}.

28 ~~(D) THE PROGRAM SHALL PROVIDE THE SAME PRESCRIPTION DRUG BENEFIT~~

29 ~~OPTIONS TO EMPLOYEES AND RETIREES AND THEIR DEPENDENTS AS PROVIDED ON~~

30 ~~JANUARY 1, 2005.~~

31 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~

32 ~~read as follows:~~

1 **Article—State Personnel and Pensions**

2 ~~2-502.~~

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

5 (b) (1) ~~The Program:~~

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

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

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

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

16 (C) ~~THE PROGRAM SHALL PROVIDE THE SAME PRESCRIPTION DRUG BENEFIT~~
17 ~~OPTIONS TO EMPLOYEES AND RETIREES AND THEIR DEPENDENTS AS PROVIDED ON~~
18 ~~JANUARY 1, 2005.~~

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

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