
By: **Chair, Health and Government Operations Committee (By Request -
Departmental - Insurance Administration, Maryland)**

Introduced and read first time: February 6, 2006

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Insurance Plan - Senior Prescription Drug Assistance**
3 **Program**

4 FOR the purpose of clarifying the purpose of the Senior Prescription Drug Assistance
5 Program; altering the payments to be made for certain enrollees by the
6 Program; providing that certain additional costs may be paid for certain
7 enrollees in the Program; repealing a certain requirement that certain enrollees
8 make certain payments under certain circumstances; requiring the Board of
9 Directors of the Maryland Health Insurance Plan to make certain
10 determinations about the Program annually; making this Act an emergency
11 measure; providing for the application of this Act; and generally relating to the
12 Senior Prescription Drug Assistance Program.

13 BY repealing and reenacting, with amendments,
14 Article - Insurance
15 Section 14-511 and 14-512
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2005 Supplement)

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

20 **Article - Insurance**

21 14-511.

22 (a) There is a Senior Prescription Drug Assistance Program.

23 (b) The purpose of the Program is to provide Medicare Part D beneficiaries,
24 who meet Program eligibility requirements, with a State [subsidy for a portion of
25 their:

26 (1) Medicare Part D prescription drug plan premium and deductible; or

1 (2) Medicare Advantage Plan premium and deductible related to a
2 prescription drug benefit] SUBSIDY.

3 (c) The Board shall contract with a third party to administer the Program.

4 (d) The Administrator of the Program shall:

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

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

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

11 14-512.

12 (a) The Program shall:

13 (1) [subject to the moneys available in the segregated account under §
14 14-504 of this subtitle, provide benefits to the maximum number of individuals
15 eligible for enrollment in the Program; and] PROVIDE A PRESCRIPTION DRUG
16 BENEFIT SUBSIDY, AS DETERMINED BY THE BOARD, THAT MAY PAY ALL OR SOME OF
17 THE DEDUCTIBLES, COINSURANCE PAYMENTS, PREMIUMS, AND COPAYMENTS
18 UNDER THE FEDERAL MEDICARE PART D PHARMACEUTICAL ASSISTANCE PROGRAM
19 FOR ENROLLEES OF THE PROGRAM; AND

20 (2) [provide a State subsidy for a portion of the cost of Medicare Part D
21 and Medicare Advantage Plan drug-related premiums and deductibles] PROVIDE
22 THE SUBSIDY TO THE MAXIMUM NUMBER OF INDIVIDUALS ELIGIBLE FOR
23 ENROLLMENT IN THE PROGRAM, SUBJECT TO THE MONEYS AVAILABLE IN THE
24 SEGREGATED ACCOUNT UNDER § 14-504 OF THIS SUBTITLE.

25 [(b) The subsidy required under subsection (a) of this section shall be equal to:

26 (1) for the Medicare Part D prescription drug plan or Medicare
27 Advantage Plan drug-related premium:

28 (i) for individuals who do not qualify for a federal low-income
29 subsidy, at least \$25 per enrollee per month; and

30 (ii) for individuals who qualify for a partial federal low-income
31 subsidy, the lesser of:

32 1. the amount provided under item (i) of this item; or

33 2. the full amount of the enrollee share of the premium; and

1 (2) for the Medicare Part D prescription drug plan or Medicare
2 Advantage Plan drug-related deductible, the total amount of the deductible, less the
3 copayment or coinsurance amount specified in subsection (c) of this section.

4 (c) An enrollee shall pay a copayment or coinsurance amount, instead of a
5 deductible, equal to the initial copayment or coinsurance amount for which the
6 enrollee is responsible under the enrollee's Medicare Part D prescription drug plan or
7 Medicare Advantage Plan after the deductible is satisfied.

8 (d) The Program shall establish an annual subsidy limit for an enrollee.]

9 (B) THE PROGRAM MAY ANNUALLY PROVIDE AN ADDITIONAL SUBSIDY, UP TO
10 THE FULL AMOUNT OF THE MEDICARE PART D PRESCRIPTION DRUG PLAN PREMIUM,
11 FOR INDIVIDUALS WHO QUALIFY FOR A PARTIAL FEDERAL LOW-INCOME SUBSIDY.

12 (C) THE BOARD SHALL DETERMINE ANNUALLY:

13 (1) THE NUMBER OF INDIVIDUALS TO BE ENROLLED IN THE PROGRAM;

14 (2) THE AMOUNT OF SUBSIDY TO BE PROVIDED UNDER SUBSECTION (A)
15 OF THIS SECTION; AND

16 (3) THE AMOUNT OF ANY ADDITIONAL SUBSIDY PROVIDED UNDER
17 SUBSECTION (B) OF THIS SECTION.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
19 individuals enrolled in the Senior Prescription Drug Assistance Program beginning
20 January 1, 2006.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an
22 emergency measure, is necessary for the immediate preservation of the public health
23 or safety, has been passed by a ye and nay vote supported by three-fifths of all the
24 members elected to each of the two Houses of the General Assembly, and shall take
25 effect from the date it is enacted.