
By: **Senators Hollinger, Astle, Britt, Brochin, Conway, Della, Dyson, Exum,
Forehand, Frosh, Garagiola, Green, Grosfeld, Hughes, Jimeno, Jones,
Lawlah, Pinsky, Ruben, Stone, and Teitelbaum**

Introduced and read first time: February 1, 2006

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Employees and Retirees - Prescription Drugs - Co-Payments**

3 FOR the purpose of altering the amounts of certain co-payments that the State
4 Prescription Drug Benefit Plan under the State Employee and Retiree Health
5 and Welfare Benefits Program may charge enrollees for prescription drugs;
6 altering the number of days for a prescription that the State Prescription Drug
7 Benefit Plan may charge enrollees a certain co-payment; and generally relating
8 to co-payments for prescription drugs for State employees and retirees.

9 BY repealing and reenacting, without amendments,
10 Article - State Personnel and Pensions
11 Section 2-502(a)
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2005 Supplement)

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

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

21 **Article - State Personnel and Pensions**

22 2-502.

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

25 (c) (1) Except as provided in paragraph (2) of this subsection, in fiscal years
26 2006 and 2007, the Program shall provide the same health insurance benefits options,

1 prescription drug benefit options, co-premiums and co-payments to employees and
2 retirees and their dependents as provided on January 1, 2005.

3 (2) In fiscal years 2006 and 2007:

4 (i) the employee or retiree share of the premium for the employee
5 or retiree and their dependents for the point of service health plan may increase to
6 17%;

7 (ii) the Program may include disease management programs;

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

11 1. [\$5] \$15 for generic drugs;

12 2. [\$15] \$20 for preferred drugs on the State formulary; and

13 3. [\$25] \$30 for drugs that are not preferred drugs on the
14 State formulary;

15 (iv) the Prescription Drug Benefit Plan may charge a co-payment
16 as provided in item (iii) of this [subsection] PARAGRAPH for each [45 day] 90-DAY
17 prescription;

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

21 (vi) the Prescription Drug Benefit Plan may include the following
22 programmatic changes:

23 1. implementation of a step therapy program to assure that
24 lower cost alternatives are used first;

25 2. changes in the pharmacy network;

26 3. limitations on the first prescription for a maintenance
27 drug;

28 4. limitations on the quantity of drugs dispensed to reduce
29 inappropriate or excessive drug usage;

30 5. requirements for prior authorization of drugs to ensure
31 that they are medically necessary; and

32 6. implementation of a drug utilization review program.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2006.

