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By: **Senators Pinsky, Britt, Della, Dyson, Exum, Gladden, Green, Grosfeld,  
Hughes, Jones, and Teitelbaum**

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Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Prescription Drugs - Canadian Mail Order Plan**

3 FOR the purpose of requiring the Secretary of Health and Mental Hygiene, in  
4 coordination with the Secretary of Budget and Management, to develop a  
5 Canadian mail order plan for the purchase and importation of prescription  
6 drugs; requiring the Canadian mail order plan to provide prescription drugs to  
7 certain individuals, require a certain contract with a pharmacy benefits  
8 manager, incorporate certain patient safety features, include certain cost  
9 requirements, and provide certain financial incentives; requiring the Secretary  
10 to prepare a certain report for submission to the Legislative Policy Committee  
11 on or before a certain date; requiring the Secretary to implement the Canadian  
12 mail order plan on or before a certain date; and generally relating to a Canadian  
13 mail order plan for the purchase and importation of prescription drugs from  
14 Canada.

15 BY adding to

16 Article - Health - General  
17 Section 15-143  
18 Annotated Code of Maryland  
19 (2005 Replacement Volume and 2005 Supplement)

20 **Preamble**

21 WHEREAS, Like many states, Maryland has experienced double-digit growth  
22 in pharmacy costs in recent years, averaging 18.7 percent per year in the State  
23 Employee and Retiree Health and Welfare Benefits Program through 2004 and 14.4  
24 percent per year in the Medical Assistance Program through 2005; and

25 WHEREAS, Growth in prescription drug costs has resulted from escalating  
26 enrollment in State assistance programs, increased drug utilization per beneficiary,  
27 rising drug costs, and new high-cost drugs replacing less costly drugs; and

28 WHEREAS, The State has used various mechanisms, such as tiered  
29 co-payments and restricted formularies, to rein in rising prescription drug costs; and

1 WHEREAS, Canadian pharmaceutical pricing, distribution practices, and  
2 favorable exchange rates can make medications needed by Maryland State  
3 employees, Maryland Medical Assistance recipients, and Maryland Pharmacy  
4 Assistance recipients available at far less cost to the State than current policy and  
5 practice allows; and

6 WHEREAS, Other states, including Illinois, Iowa, Minnesota, Wisconsin,  
7 Oregon, Vermont, North Dakota, New Hampshire, Rhode Island, Connecticut,  
8 Michigan, and Massachusetts, and localities, including Montgomery County,  
9 Maryland and Springfield, Massachusetts, are promoting access to Canadian  
10 pharmacies for their citizens; and

11 WHEREAS, The pharmaceutical manufacturing, storage, distribution, and  
12 dispensing requirements under Canadian law are substantially equivalent to United  
13 States federal requirements; now, therefore,

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

16 **Article - Health - General**

17 15-143.

18 (A) THE SECRETARY, IN COORDINATION WITH THE SECRETARY OF BUDGET  
19 AND MANAGEMENT, SHALL DEVELOP A CANADIAN MAIL ORDER PLAN FOR THE  
20 PURCHASE AND IMPORTATION OF PRESCRIPTION DRUGS.

21 (B) THE CANADIAN MAIL ORDER PLAN SHALL:

22 (1) PROVIDE PRESCRIPTION DRUGS TO THE FOLLOWING INDIVIDUALS:

23 (I) STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE  
24 BENEFITS PROGRAM ENROLLEES;

25 (II) MARYLAND MEDICAL ASSISTANCE PROGRAM ENROLLEES;

26 (III) MARYLAND PHARMACY ASSISTANCE PROGRAM ENROLLEES;

27 (IV) ENROLLEES AND RECIPIENTS OF ANY OTHER STATE  
28 PRESCRIPTION DRUG PROGRAM AS THE SECRETARY DEEMS APPROPRIATE;

29 (V) ON THE REQUEST OF A LOCAL JURISDICTION AND THE  
30 EXECUTION BY THE LOCAL JURISDICTION AND THE DEPARTMENT OF A  
31 MEMORANDUM OF UNDERSTANDING, LOCAL GOVERNMENT EMPLOYEES AND  
32 RETIREES;

33 (VI) ON THE REQUEST OF A COUNTY BOARD OF EDUCATION AND  
34 THE EXECUTION BY THE COUNTY BOARD OF EDUCATION AND THE DEPARTMENT OF  
35 A MEMORANDUM OF UNDERSTANDING, COUNTY BOARD OF EDUCATION EMPLOYEES  
36 AND RETIREES; AND

1 (VII) ANY INDIVIDUAL IN THE STATE WITHOUT HEALTH INSURANCE  
2 OR PRESCRIPTION DRUG COVERAGE;

3 (2) REQUIRE A CONTRACT WITH A PHARMACY BENEFITS MANAGER TO  
4 OPERATE THE PLAN, UNDER THE DIRECTION OF THE SECRETARY;

5 (3) INCORPORATE PATIENT SAFETY FEATURES, INCLUDING:

6 (I) REQUIRING A PARTICIPANT, PRIOR TO FILLING A DRUG  
7 PRESCRIPTION THROUGH THE CANADIAN MAIL ORDER PLAN, TO:

8 1. HAVE TOLERATED THE PRESCRIPTION DRUG FOR A  
9 MINIMUM OF 1 MONTH THROUGH RETAIL PURCHASE; AND

10 2. SUBMIT TO THE PHARMACY BENEFITS MANAGER A BRIEF  
11 MEDICAL HISTORY, INCLUDING ALLERGIES, MEDICATION HISTORY, AND DIAGNOSES;

12 (II) DEVELOPING A RESTRICTED LIST OF PRESCRIPTION DRUGS  
13 APPROPRIATE FOR MAIL ORDER;

14 (III) USING ONLY LICENSED PHARMACISTS TO DISPENSE  
15 PRESCRIPTION DRUGS; AND

16 (IV) REQUIRING PRESCRIPTION DRUGS TO BE PROVIDED THROUGH  
17 "UNIT OF USE" PACKAGING SEALED AND SHIPPED DIRECTLY FROM THE  
18 MANUFACTURER TO THE PHARMACY AND THEN TO THE PARTICIPANT, IN ORDER TO  
19 REDUCE MEDICATION ERRORS AND THE POSSIBILITY OF COUNTERFEIT DRUGS;

20 (4) REQUIRE THE COST TO BOTH THE STATE AND THE PARTICIPANT FOR  
21 A PRESCRIPTION DRUG PROVIDED THROUGH THE CANADIAN MAIL ORDER PLAN TO  
22 BE LESS THAN THE COST TO BOTH THE STATE AND THE PARTICIPANT THROUGH  
23 RETAIL PURCHASE; AND

24 (5) PROVIDE A FINANCIAL INCENTIVE, SUCH AS THE ELIMINATION OR  
25 REDUCTION OF THE CO-PAYMENT, TO PARTICIPANTS TO PURCHASE PRESCRIPTION  
26 DRUGS THROUGH THE CANADIAN MAIL ORDER PLAN.

27 (C) (1) THE SECRETARY SHALL PREPARE A REPORT DESCRIBING:

28 (I) THE ELEMENTS OF THE CANADIAN MAIL ORDER PLAN; AND

29 (II) A PROPOSED PROCESS FOR IMPLEMENTING THE PLAN ON OR  
30 BEFORE JULY 1, 2007.

31 (2) ON OR BEFORE DECEMBER 1, 2006, IN ACCORDANCE WITH § 2-1246 OF  
32 THE STATE GOVERNMENT ARTICLE, THE SECRETARY SHALL SUBMIT THE REPORT ON  
33 THE CANADIAN MAIL ORDER PLAN TO THE LEGISLATIVE POLICY COMMITTEE FOR  
34 REVIEW AND COMMENT.

1 (D) AFTER RECEIVING THE COMMENTS OF THE LEGISLATIVE POLICY  
2 COMMITTEE, THE SECRETARY SHALL IMPLEMENT THE CANADIAN MAIL ORDER PLAN  
3 ON OR BEFORE JULY 1, 2007.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 June 1, 2006.