

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 822 (Delegate Donoghue, *et al.*)
Health and Government Operations

Finance

Health - Maryland Medbank Program - Sunset Repeal

This bill repeals the June 30, 2006 termination date for the Maryland Medbank Program.

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: None. The bill repeals the termination date of a program administered by a private entity. While Medbank has received State funding in the past, the FY 2007 budget does not contain funding for the program. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Medbank program termination date is June 30, 2005.

Background: The Senior Prescription Drug Relief Act (Chapters 134 and 135 of 2001) created the Medbank program. Administered by Medbank of Maryland, Inc. (a private entity), the program assists low-income individuals who lack prescription drug coverage by accessing medically necessary prescription drugs through patient assistance programs sponsored by pharmaceutical drug manufacturers. Since its inception, Medbank has provided \$90 million in free medicine to about 32,000 patients.

Funding for the Medbank program's administrative costs has varied since its inception. Originally, it was to be funded through grants from the now-defunct Maryland Health Care Foundation. Medbank has received the following State appropriations:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fund Type</u>
2002	\$2.5 million	General Funds
2003	2.0 million	General Funds
2004	800,000	General Funds
	1.2 million	Special Funds*
2005	1.0 million	Special Funds*
2006	500,000	Special Funds*
	1,000,000	General Funds
Totals	6.3 million	General Funds
	2.7 million	Special Funds

**The 2004 Budget Reconciliation and Financing Act (BRFA) provided grants from Medicaid's HealthChoice Performance Incentive Fund to the Medbank program.*

Additional Information

Prior Introductions: None.

Cross File: SB 61 (Senator Astle) – Finance.

Information Source(s): Department of Health and Mental Hygiene (Medicaid), Medbank of Maryland, Inc., Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2006
ncs/jr

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