

HOUSE BILL 1025

J1, P4

71r1995

By: **Delegate Rudolph**

Introduced and read first time: February 9, 2007

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Rx Program – Modifications**

3 FOR the purpose of authorizing an individual that satisfies the conditions established
4 by the Department of Budget and Management to be eligible for participation in
5 the Maryland Rx Program; requiring an individual that participates in the
6 Program to be responsible for the cost of drugs purchased by or on behalf of the
7 individual; authorizing the State to recoup any start-up funds from savings
8 achieved for participating individuals; authorizing the Department to charge an
9 administrative fee to an individual sufficient to offset the individual's
10 participation in the Program; and generally relating to modifications to the
11 Maryland Rx Program.

12 BY repealing and reenacting, with amendments,
13 Article – State Personnel and Pensions
14 Section 2–502.1
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2006 Supplement)

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

19 **Article – State Personnel and Pensions**

20 2–502.1.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this section, “Maryland Rx Program” means a purchasing pool for
2 pharmacy benefits that meets the requirements of this section.

3 (b) The Department shall establish a Maryland Rx Program to achieve
4 savings on the cost of prescription drugs for:

5 (1) the State Employee and Retiree Health and Welfare Benefits
6 Program; and

7 (2) any [local government] **INDIVIDUAL, LOCAL GOVERNMENT**, or
8 other entity identified under this subtitle that satisfies the conditions for participation
9 established by the Department.

10 (c) The Maryland Rx Program shall seek savings through:

11 (1) a preferred list of covered prescription drugs;

12 (2) rebates from drug manufacturers;

13 (3) negotiated discounts; and

14 (4) other cost-saving measures.

15 (d) (1) Each **INDIVIDUAL OR** entity that participates in the Maryland Rx
16 Program shall be responsible for the cost of drugs purchased by or on behalf of the
17 **INDIVIDUAL OR** entity.

18 (2) The cost of drugs purchased by or on behalf of the State Employee
19 and Retiree Health and Welfare Benefits Program shall be paid in accordance with the
20 State budget and the provisions of this subtitle.

21 (e) The State may:

22 (1) provide start-up funds for the Maryland Rx Program; and

23 (2) recoup any start-up funds from savings achieved for participating
24 **INDIVIDUALS OR** entities through the Maryland Rx Program.

25 (f) The Department may:

1 (1) charge an administrative fee to an **INDIVIDUAL OR** entity
2 sufficient to offset the administrative costs resulting from the **INDIVIDUAL'S OR**
3 entity's participation in the Maryland Rx Program; and

4 (2) contract with a pharmacy benefit manager or other entity to
5 administer the Maryland Rx Program.

6 (g) If the Department contracts with a pharmacy benefit manager or other
7 entity to administer the Maryland Rx Program, the Department shall consider
8 contracting with a nonprofit entity.

9 (h) The Department shall adopt regulations to implement this section.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2007.