

HOUSE BILL 1370

C3

71r2591

By: **Delegate Mizeur**

Introduced and read first time: March 2, 2007

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, March 12, 2007

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2007

CHAPTER _____

1 AN ACT concerning

2 **~~Maryland Health Insurance Plan~~ – Senior Prescription Drug Assistance**
3 **Program – Modifications and Sunset Extension**

4 FOR the purpose of ~~requiring an individual to be enrolled in a certain prescription~~
5 ~~drug plan or Medicare Advantage Plan as a condition of eligibility for the Senior~~
6 ~~Prescription Drug Assistance Program; altering a certain definition prohibiting~~
7 ~~the subsidy required under the Senior Prescription Drug Assistance Program~~
8 ~~from exceeding a certain amount in certain fiscal years; authorizing the~~
9 ~~Program to limit payments of certain subsidies under certain circumstances;~~
10 ~~extending the termination date of the Program; altering certain references to a~~
11 ~~certain obsolete program to clarify that the program being extended under this~~
12 ~~Act and that is funded by a certain carrier is the Senior Prescription Drug~~
13 ~~Assistance Program; making certain ~~clarifying~~ conforming changes; and~~
14 ~~generally relating to the Senior Prescription Drug Assistance Program.~~

15 BY repealing and reenacting, with amendments,
16 Article – Insurance
17 Section ~~14-510~~ 14-106(e) and 14-512
18 Annotated Code of Maryland
19 (2006 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,
 2 Article – Insurance
 3 Section 14-511
 4 Annotated Code of Maryland
 5 (2006 Replacement Volume and 2006 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Chapter 153 of the Acts of the General Assembly of 2002, as amended by
 8 Chapter 282 of the Acts of the General Assembly of 2005 and Chapter 345
 9 of the Acts of the General Assembly of 2006
 10 Section 13

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

13 **Article – Insurance**

14 ~~14-510.~~

15 ~~(a) In Part II of this subtitle the following words have the meanings~~
 16 ~~indicated.~~

17 ~~(b) “Eligible individual” means an individual who:~~

18 ~~(1) is a resident of Maryland;~~

19 ~~(2) (I) is a Medicare beneficiary enrolled in the Medicare Part D~~
 20 ~~Voluntary Prescription Drug Benefit Program or a Medicare Advantage Plan that~~
 21 ~~provides Part D coverage; AND~~

22 ~~(II) IS ENROLLED IN A PART D PRESCRIPTION DRUG PLAN~~
 23 ~~OR MEDICARE ADVANTAGE PLAN THAT PARTICIPATES IN THE SENIOR~~
 24 ~~PRESCRIPTION DRUG ASSISTANCE PROGRAM IN ACCORDANCE WITH FEDERAL~~
 25 ~~REQUIREMENTS;~~

26 ~~(3) is not enrolled in a health benefit plan, other than a Medicare Part~~
 27 ~~D prescription drug plan or a Medicare Advantage Plan, that provides prescription~~
 28 ~~drug benefits at the time that the individual applies for enrollment in the Program;~~

1 ~~(4) has an annual household income at or below 300% of the federal~~
2 ~~poverty guidelines;~~

3 ~~(5) is not eligible for a full federal low income subsidy under 42 C.F.R.~~
4 ~~§ 423.772; and~~

5 ~~(6) pays the premium, and copayments or coinsurance, for the~~
6 ~~Program.~~

7 ~~(e) "Enrollee" means an individual enrolled in the Program.~~

8 ~~(d) "Program" means the Senior Prescription Drug Assistance Program~~
9 ~~established under Part II of this subtitle.~~

10 14-106.

11 (e) The subsidy required under the Senior Prescription Drug Assistance
12 Program may not exceed:

13 (1) for the period of January 1, 2006 through June 30, 2006,
14 \$8,000,000;

15 (2) [for fiscal year 2007, \$14,000,000;

16 (3)] for fiscal [year] **YEARS 2008 THROUGH 2010**, \$14,000,000; and

17 [(4)] (3) for any year, the value of the nonprofit health service plan's
18 premium tax exemption under § 6-101(b) of this article.

19 14-511.

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

21 (b) The purpose of the Program is to provide Medicare Part D beneficiaries,
22 who meet Program eligibility requirements, with a State subsidy.

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

24 (d) The Administrator of the Program shall:

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

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

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

5 14-512.

6 (a) The Program shall:

7 (1) provide a prescription drug benefit subsidy, as determined by the
8 Board, that may pay all or some of the deductibles, coinsurance payments, premiums,
9 and copayments under the federal Medicare Part D Pharmaceutical Assistance
10 Program for enrollees of the Program; and

11 (2) provide the subsidy to the maximum number of individuals eligible
12 for enrollment in the Program, subject to the moneys available in the segregated
13 account under § 14-504 of this subtitle.

14 **(B) THE PROGRAM MAY LIMIT PAYMENT OF ANY SUBSIDY BY PAYING**
15 **THE SUBSIDY ONLY ON BEHALF OF ELIGIBLE INDIVIDUALS ENROLLED IN A**
16 **MEDICARE PART D PRESCRIPTION DRUG PLAN OR MEDICARE ADVANTAGE**
17 **PLAN THAT COORDINATES WITH THE PROGRAM IN ACCORDANCE WITH**
18 **FEDERAL REQUIREMENTS.**

19 [(b)] (C) The Program may annually provide an additional subsidy, up to
20 the full amount of the Medicare Part D Prescription Drug Plan premium, for
21 individuals who qualify for a partial federal low-income subsidy.

22 [(c)] (D) The Program shall maintain a waiting list of individuals who meet
23 the eligibility requirements for the Program but who are not served by the Program
24 due to funding limitations.

25 [(d)] (E) The Board shall determine annually:

26 (1) the number of individuals to be enrolled in the Program;

27 (2) the amount of subsidy to be provided under subsection (a) of this
28 section; and

1 (3) the amount of any additional subsidy provided under subsection
2 [(b)] (C) of this section.

3 [(e)] (F) On or before January 1 of each year, the Board, in accordance with
4 § 2-1246 of the State Government Article, shall report to the General Assembly on:

5 (1) the number of individuals on the waiting list for the Program; and

6 (2) to the extent that the Board is able to collect the information:

7 (i) the number of enrollees with out-of-pocket prescription
8 drug costs that exceed \$2,250, broken down for each fiscal quarter; and

9 (ii) the total annual out-of-pocket prescription drug costs for
10 enrollees.

11 **Chapter 153 of the Acts of 2002, as amended by Chapter 282 of the Acts of**
12 **2005 and Chapter 345 of the Acts of 2006**

13 SECTION 13. AND BE IT FURTHER ENACTED, That:

14 (1) No later than June 1, 2003, the Secretary of Health and Mental
15 Hygiene and the carrier that is required to offer the Short-Term Prescription Drug
16 Subsidy Plan under Title 15, Subtitle 6 of the Health – General Article shall transfer
17 all Plan records, data, and other information necessary to operate and administer the
18 Senior Prescription Drug Program established under this Act to the Board of the
19 Maryland Health Insurance Plan.

20 (2) Each individual enrolled in the Short-Term Prescription Drug
21 Subsidy Plan, established under Title 15, Subtitle 6 of the Health – General Article, on
22 June 30, 2003 shall, at the option of the enrollee and subject to the payment of all
23 necessary premiums and copayments, be automatically enrolled in the Senior
24 Prescription Drug Program established under this Act.

25 (3) It is the intent of the General Assembly that the transition of
26 enrollees from the Short-Term Prescription Drug Subsidy Plan to the Senior
27 Prescription Drug Program be accomplished without interruption of benefits for
28 enrollees.

29 (4) ~~[Benefits]~~ **SUBSIDIES** shall be offered to enrollees through the
30 Senior Prescription Drug **ASSISTANCE** Program established under Title 14, Subtitle
31 5, Part II of the Insurance Article beginning [July 1, 2003] **JANUARY 1, 2006**. At the

1 end of December 31, [2007] **2009**, the Senior Prescription Drug **ASSISTANCE**
2 Program established under Title 14, Subtitle 5, Part II, as amended, shall be
3 abrogated and of no further force and effect.

4 (5) Beginning April 1, 2003, the carrier required to offer the
5 Short-Term Prescription Drug Subsidy Plan under Title 15, Subtitle 6 of the
6 Health – General Article and the Senior Prescription Drug **ASSISTANCE** Program
7 under Title 14, Subtitle 5 of the Insurance Article shall subsidize the Plan and
8 beginning ~~July 1, 2003~~, **JANUARY 1, 2006**, the Program, using the value of the
9 carrier's premium tax exemption.

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.