

SENATE BILL 670

J1
SB 568/06 – FIN

71r2479

By: **Senators Pinsky and Britt**
Introduced and read first time: February 2, 2007
Assigned to: Finance

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 15–144
18 Annotated Code of Maryland
19 (2005 Replacement Volume and 2006 Supplement)

20 Preamble

21 WHEREAS, Like many states, Maryland has experienced significant growth in
22 pharmacy costs, and in fiscal year 2007, an increase of 8.5% is anticipated in the State
23 Employee and Retiree Health and Welfare Benefit Program, despite steep increases in

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 co-payments and the imposition of prior authorization, step therapy, and other
2 cost-saving measures in recent years; and an increase of 6.5% is anticipated in the
3 Maryland Medical Assistance Program; and

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

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

9 WHEREAS, Canadian pharmaceutical pricing, distribution practices, and
10 favorable exchange rates can make medications needed by Maryland State employees,
11 Maryland Medical Assistance recipients, and participants in other State pharmacy
12 programs available at far less cost to the State than current policy and practice allows;
13 and

14 WHEREAS, Other states, including Illinois, Iowa, Minnesota, Wisconsin,
15 Oregon, Vermont, North Dakota, New Hampshire, Rhode Island, Connecticut,
16 Michigan, and Massachusetts, and localities, including Montgomery County,
17 Maryland, and Springfield, Massachusetts, are promoting access to Canadian
18 pharmacies for their citizens; and

19 WHEREAS, The pharmaceutical manufacturing, storage, distribution, and
20 dispensing requirements under Canadian law are substantially equivalent to United
21 States federal requirements; now, therefore,

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

24 **Article - Health - General**

25 **15-144.**

26 (A) **THE SECRETARY, IN COORDINATION WITH THE SECRETARY OF**
27 **BUDGET AND MANAGEMENT, SHALL DEVELOP A CANADIAN MAIL ORDER PLAN**
28 **FOR THE PURCHASE AND IMPORTATION OF PRESCRIPTION DRUGS.**

29 (B) **THE CANADIAN MAIL ORDER PLAN SHALL:**

30 (1) **PROVIDE PRESCRIPTION DRUGS TO THE FOLLOWING**
31 **INDIVIDUALS:**

1 (I) STATE EMPLOYEE AND RETIREE HEALTH AND
2 WELFARE BENEFITS PROGRAM ENROLLEES;

3 (II) MARYLAND MEDICAL ASSISTANCE PROGRAM
4 ENROLLEES;

5 (III) MARYLAND RX PROGRAM PARTICIPANTS;

6 (IV) PRIMARY ADULT CARE PROGRAM ENROLLEES;

7 (V) ENROLLEES AND RECIPIENTS OF ANY OTHER STATE
8 PRESCRIPTION DRUG PROGRAM AS THE SECRETARY DEEMS APPROPRIATE;

9 (VI) ON THE REQUEST OF A LOCAL JURISDICTION AND THE
10 EXECUTION BY THE LOCAL JURISDICTION AND THE DEPARTMENT OF A
11 MEMORANDUM OF UNDERSTANDING, LOCAL GOVERNMENT EMPLOYEES AND
12 RETIREES;

13 (VII) ON THE REQUEST OF A COUNTY BOARD OF EDUCATION
14 AND THE EXECUTION BY THE COUNTY BOARD OF EDUCATION AND THE
15 DEPARTMENT OF A MEMORANDUM OF UNDERSTANDING, COUNTY BOARD OF
16 EDUCATION EMPLOYEES AND RETIREES; AND

17 (VIII) ANY INDIVIDUAL IN THE STATE WITHOUT HEALTH
18 INSURANCE OR PRESCRIPTION DRUG COVERAGE;

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

21 (3) INCORPORATE PATIENT SAFETY FEATURES, INCLUDING:

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

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

1 **2. SUBMIT TO THE PHARMACY BENEFITS MANAGER**
2 **A BRIEF MEDICAL HISTORY, INCLUDING ALLERGIES, MEDICATION HISTORY, AND**
3 **DIAGNOSES;**

4 **(II) DEVELOPING A RESTRICTED LIST OF PRESCRIPTION**
5 **DRUGS APPROPRIATE FOR MAIL ORDER;**

6 **(III) USING ONLY LICENSED PHARMACISTS TO DISPENSE**
7 **PRESCRIPTION DRUGS; AND**

8 **(IV) REQUIRING PRESCRIPTION DRUGS TO BE PROVIDED**
9 **THROUGH "UNIT OF USE" PACKAGING SEALED AND SHIPPED DIRECTLY FROM**
10 **THE MANUFACTURER TO THE PHARMACY AND THEN TO THE PARTICIPANT, IN**
11 **ORDER TO REDUCE MEDICATION ERRORS AND THE POSSIBILITY OF**
12 **COUNTERFEIT DRUGS;**

13 **(4) REQUIRE THE COST TO BOTH THE STATE AND THE**
14 **PARTICIPANT FOR A PRESCRIPTION DRUG PROVIDED THROUGH THE CANADIAN**
15 **MAIL ORDER PLAN TO BE LESS THAN THE COST TO BOTH THE STATE AND THE**
16 **PARTICIPANT THROUGH RETAIL PURCHASE; AND**

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

20 **(c) (1) THE SECRETARY SHALL PREPARE A REPORT DESCRIBING:**

21 **(I) THE ELEMENTS OF THE CANADIAN MAIL ORDER PLAN;**
22 **AND**

23 **(II) A PROPOSED PROCESS FOR IMPLEMENTING THE PLAN**
24 **ON OR BEFORE JULY 1, 2008.**

25 **(2) ON OR BEFORE DECEMBER 1, 2007, IN ACCORDANCE WITH §**
26 **2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SECRETARY SHALL SUBMIT**
27 **THE REPORT ON THE CANADIAN MAIL ORDER PLAN TO THE LEGISLATIVE**
28 **POLICY COMMITTEE FOR REVIEW AND COMMENT.**

1 **(D) AFTER RECEIVING THE COMMENTS OF THE LEGISLATIVE POLICY**
2 **COMMITTEE, THE SECRETARY SHALL IMPLEMENT THE CANADIAN MAIL ORDER**
3 **PLAN ON OR BEFORE JULY 1, 2008.**

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