

HOUSE BILL 1429

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8lr2505

By: **Delegate James**

Introduced and read first time: February 11, 2008

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program – Pharmacy Dispensing Fees**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene to set
4 certain pharmacy dispensing fees for multiple source drugs under the Maryland
5 Medical Assistance Program at certain times and in a certain manner;
6 establishing certain standards for setting pharmacy dispensing fees for multiple
7 source drugs under the Maryland Medical Assistance Program; requiring the
8 Department to set certain pharmacy dispensing fees in an amount that reflects
9 the findings of a certain survey; requiring the Department to set certain
10 pharmacy dispensing fees by utilizing certain information; authorizing the
11 Department to create certain incentives in setting certain pharmacy dispensing
12 fees; defining a certain term; and generally relating to pharmacy dispensing
13 fees under the Maryland Medical Assistance Program.

14 BY repealing and reenacting, without amendments,
15 Article – Health – General
16 Section 15–101(h)
17 Annotated Code of Maryland
18 (2005 Replacement Volume and 2007 Supplement)

19 BY adding to
20 Article – Health – General
21 Section 15–118.1
22 Annotated Code of Maryland
23 (2005 Replacement Volume and 2007 Supplement)

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

26 **Article – Health – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-101.

2 (h) "Program" means the Maryland Medical Assistance Program.

3 **15-118.1.**

4 (A) (1) IN THIS SECTION, "OPERATIONAL COSTS" MEANS PHARMACY
5 COSTS ASSOCIATED WITH ENSURING THAT POSSESSION OF THE APPROPRIATE
6 COVERED OUTPATIENT MEDICATION IS TRANSFERRED TO THE PATIENT.

7 (2) "OPERATIONAL COSTS" INCLUDES COSTS INCURRED:

8 (I) IN PREPARING AND DISPENSING A PRESCRIPTION
9 THROUGH:

10 1. CHECKING ON PATIENT PROGRAM COVERAGE AT
11 THE POINT-OF-SALE;

12 2. PACKAGING AND LABELING PRESCRIPTIONS;

13 3. COMPOUNDING THE PRESCRIPTION, IF
14 NECESSARY;

15 4. SPECIAL PACKAGING AND SPECIAL SUPPLIES,
16 INCLUDING UNIT DOSES, BLISTER PACKS, BINGO CARDS, SYRINGES, AND
17 INHALERS;

18 5. DELIVERY TO THE PATIENT;

19 6. MAINTAINING COMPLIANCE WITH FEDERAL AND
20 STATE PROGRAM LAWS AND REGULATIONS, SUCH AS LAWS AND REGULATIONS
21 UNDER MEDICAID AND HIPAA;

22 7. COVERING OVERHEAD EXPENSES, SUCH AS
23 SALARIES, UTILITIES, AND RENT;

24 8. CONTINUING EDUCATION AND TRAINING OF
25 PHARMACISTS; AND

26 9. MAINTAINING PHARMACY EQUIPMENT; AND

27 (II) IN ASSURING THE PATIENT'S PROPER USE OF THE
28 MEDICATION PRESCRIBED THROUGH:

- 1 1. **DRUG UTILIZATION REVIEW;**
- 2 2. **PREFERRED DRUG LIST COMPLIANCE;**
- 3 3. **COUNSELING THE PATIENT;**
- 4 4. **CONSULTING WITH THE PHYSICIAN; AND**
- 5 5. **PROVIDING MEDICATION THERAPY MANAGEMENT**
6 **TO THE PATIENT.**

7 **(B) WITHIN 45 DAYS OF IMPLEMENTATION OF THE AVERAGE**
8 **MANUFACTURER PRICE-BASED FEDERAL UPPER LIMITS ON PHARMACY**
9 **REIMBURSEMENT FOR MULTIPLE SOURCE DRUGS MANDATED UNDER THE**
10 **FEDERAL DEFICIT REDUCTION ACT OF 2005, AND EVERY 2 YEARS**
11 **THEREAFTER, THE DEPARTMENT SHALL SET PHARMACY DISPENSING FEES FOR**
12 **MULTIPLE SOURCE DRUGS UNDER THE PROGRAM THAT:**

13 **(1) ARE FAIR, TRANSPARENT, AND REASONABLE AND PROVIDE A**
14 **REASONABLE PROFIT;**

15 **(2) ARE ADEQUATE TO ENSURE THAT AN INDIVIDUAL COVERED**
16 **UNDER THE PROGRAM HAS ACCESS TO PRESCRIPTION DRUGS AND PHARMACY**
17 **SERVICES AT THE SAME LEVEL AS STATE RESIDENTS WHO ARE NOT ENROLLED**
18 **IN THE PROGRAM;**

19 **(3) ARE CONSISTENT WITH EFFICIENCY, ECONOMY, AND QUALITY**
20 **OF CARE; AND**

21 **(4) IN COMBINATION WITH THE SAVINGS TO THE STATE DERIVED**
22 **FROM THE AVERAGE MANUFACTURER PRICE-BASED FEDERAL UPPER LIMITS,**
23 **ARE REVENUE AND COST-NEUTRAL FOR THE STATE IN THE FIRST 12 MONTHS IN**
24 **WHICH THE FEE IS IMPLEMENTED.**

25 **(C) IN SETTING THE INITIAL PHARMACY DISPENSING FEES UNDER THIS**
26 **SECTION, THE DEPARTMENT SHALL SET THE FEES IN AN AMOUNT THAT**
27 **REFLECTS THE FINDINGS OF THE 2006 COST OF DISPENSING SURVEY**
28 **CONDUCTED BY THE UNIVERSITY OF MARYLAND SCHOOL OF PHARMACY ON**
29 **BEHALF OF THE DEPARTMENT, ADJUSTED BY THE ANNUAL INFLATION IN THE**
30 **HEALTH CARE COST INFLATION RATE.**

31 **(D) IN DETERMINING A REASONABLE LEVEL FOR SUBSEQUENT**
32 **PHARMACY DISPENSING FEES SET UNDER THIS SECTION, THE DEPARTMENT**

1 **SHALL SET THE PHARMACY DISPENSING FEES BY UTILIZING INFORMATION ON**
2 **THE COST OF DISPENSING A PRESCRIPTION IN THE STATE DERIVED FROM:**

3 (1) **DATA REGARDING PROFESSIONAL SALARIES AND FEES;**

4 (2) **SURVEYS OF OPERATIONAL COSTS; AND**

5 (3) **ANALYSES REGARDING OVERHEAD COSTS, PROFITS, AND**
6 **RELATED INFORMATION.**

7 (E) **IN SETTING REASONABLE PHARMACY DISPENSING FEES FOR**
8 **MULTIPLE SOURCE DRUGS UNDER THIS SECTION, THE DEPARTMENT MAY**
9 **CREATE ADDITIONAL INCENTIVES DESIGNED TO ENCOURAGE THE UTILIZATION**
10 **OF LOWER-COST MULTIPLE SOURCE PRESCRIPTION DRUGS AND TO COVER**
11 **OTHER COSTS ASSOCIATED WITH DISPENSING PRESCRIPTION DRUGS UNDER**
12 **THE PROGRAM, INCLUDING THOSE COSTS RELATED TO:**

13 (1) **BAD DEBT;**

14 (2) **UNCOLLECTED CO-PAYMENTS;**

15 (3) **PAYMENT LAG TIMES UNDER THE PROGRAM;**

16 (4) **HIGHER RATES OF REJECTED CLAIMS; AND**

17 (5) **COORDINATION OF A PATIENT'S BENEFITS.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2008.