

HOUSE BILL 1437

P4, B1

EMERGENCY BILL

2lr3301

By: **Delegate Clagett**

Introduced and read first time: March 2, 2012

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Operating Budget – State Prescription Drug Program Subsidy – Lump**
3 **Sum Payment**

4 FOR the purpose of authorizing the State to enter into a contract with a provider of a
5 certain method to use a certain computerized actuarial methodology to
6 determine the value of certain future payments from a certain subsidy received
7 as a result of the State’s prescription drug program for certain
8 Medicare–eligible retirees and convert the payments to provide a lump sum
9 payment to the State in a certain manner; requiring that the contractual
10 agreement requires the Secretary of Budget and Management to complete a
11 certain notice of assignment of certain payments and submit the notice to the
12 Centers for Medicare and Medicaid Services; requiring the lump sum payment
13 received under a certain contractual agreement to be credited to the General
14 Fund of the State; making this Act an emergency measure; and generally
15 relating to the conversion into a lump sum payment of certain future payments
16 of a subsidy as a result of the State’s prescription drug program.

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That:

19 (a) Notwithstanding any other provision of law, the State may enter into a
20 contract with a provider of a method to:

21 (1) use a computerized actuarial methodology to determine the value
22 of future payments from any subsidy provided to the State under the federal Medicare
23 Prescription Drug, Improvement, and Modernization Act of 2003 or similar federal
24 subsidy received as a result of the State’s prescription drug program for
25 Medicare–eligible retirees; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) convert the future payments described in item (1) of this
2 subsection, or a portion of the payments, to provide a lump sum payment to the State
3 in a manner that complies with federal law and applicable accounting requirements.

4 (b) The contractual agreement with the provider shall require that the
5 Secretary of Budget and Management:

6 (1) complete a notice of assignment, as provided under the federal
7 Assignment of Claims Act of 1940, of the future payments from any subsidy provided
8 to the State under the federal Medicare Prescription Drug, Improvement, and
9 Modernization Act of 2003 or similar federal subsidy received as a result of the State's
10 prescription drug program for Medicare-eligible retirees; and

11 (2) submit the notice of assignment to the Centers for Medicare and
12 Medicaid Services.

13 (c) The lump sum payment received under the contractual agreement with
14 the provider under this Act shall be credited to the General Fund of the State.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
16 measure, is necessary for the immediate preservation of the public health or safety,
17 has been passed by a ye and nay vote supported by three-fifths of all the members
18 elected to each of the two Houses of the General Assembly, and shall take effect from
19 the date it is enacted.