

## CHAPTER 508

(Senate Bill 824)

AN ACT concerning

### **Senior Prescription Drug Assistance Program – Modifications and Sunset Extension**

FOR the purpose of prohibiting the subsidy required under the Senior Prescription Drug Assistance Program from exceeding a certain amount in certain fiscal years; authorizing the Program to limit payments of certain subsidies under certain circumstances; extending the termination date of a certain program until a certain date; altering certain references to a certain obsolete program to clarify that the program being extended under this Act and that is funded by a certain carrier is the Senior Prescription Drug Assistance Program; making certain conforming changes; and generally relating to the Senior Prescription Drug Assistance Program.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 14–106(e) and 14–512

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance

Section 14–511

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Chapter 153 of the Acts of the General Assembly of 2002, as amended by Chapter 282 of the Acts of the General Assembly of 2005 and Chapter 345 of the Acts of the General Assembly of 2006

Section 13

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

#### **Article – Insurance**

14-106.

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

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

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

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

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

14-511.

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

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

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

(d) The Administrator of the Program shall:

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

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

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

14-512.

(a) The Program shall:

(1) provide a prescription drug benefit subsidy, as determined by the Board, that may pay all or some of the deductibles, coinsurance payments, premiums,

and copayments under the federal Medicare Part D Pharmaceutical Assistance Program for enrollees of the Program; and

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

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

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

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

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

- (1) the number of individuals to be enrolled in the Program;
- (2) the amount of subsidy to be provided under subsection (a) of this section; and
- (3) the amount of any additional subsidy provided under subsection ~~(b)~~ (C) of this section.

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

- (1) the number of individuals on the waiting list for the Program; and
- (2) to the extent that the Board is able to collect the information:
  - (i) the number of enrollees with out-of-pocket prescription drug costs that exceed \$2,250, broken down for each fiscal quarter; and

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

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

SECTION 13. AND BE IT FURTHER ENACTED, That:

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

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

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

(4) ~~Benefits~~ **SUBSIDIES** shall be offered to enrollees through the Senior Prescription Drug **ASSISTANCE** Program established under Title 14, Subtitle 5, Part II of the Insurance Article beginning ~~July 1, 2003~~ **JANUARY 1, 2006**. At the end of December 31, [2007] **2009**, the Senior Prescription Drug **ASSISTANCE** Program established under Title 14, Subtitle 5, Part II, as amended, shall be abrogated and of no further force and effect.

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

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

**Approved by the Governor, May 17, 2007.**