

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 711

S.P. 249

In Senate, February 14, 2003

**Resolve, To Lower the Costs of Prescription Drugs through the Use  
of the Federal Public Health Service Act**

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Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator TREAT of Kennebec.  
Cosponsored by Representative KANE of Saco and  
Senators: DAMON of Hancock, HATCH of Somerset, MAYO of Sagadahoc, Representatives:  
LEMOINE of Old Orchard Beach, McNEIL of Rockland, SMITH of Monmouth.

2           **Sec. 1. Study and report. Resolved:** That the Department of  
3 Human Services shall study and by January 1, 2004 shall provide a  
4 report to the Joint Standing Committee on Health and Human  
5 Services on the feasibility of providing discounted prescription  
6 drugs to Maine's most vulnerable patient populations through the  
7 use of Section 340B of the federal Public Health Service Act, 42  
8 United States Code, Section 256b (1999), referred to in this  
9 resolve as "Section 340B." The department shall work with other  
10 state agencies, representatives of state employees and  
11 representatives of health care providers and facilities in the  
12 State to provide the following information:

13           **1. Covered entities.** A description of all health care  
14 providers and facilities in the State potentially eligible for  
15 designation as "covered entities" under Section 340B, including  
16 without limitation all hospitals eligible as disproportionate  
17 share hospitals; recipients of grants from the United States  
18 Public Health Service; federally qualified health centers;  
19 federally qualified look-alikes; state-operated AIDS drug  
20 assistance programs; Ryan White CARE Act Title I, Title II and  
21 Title III programs; tuberculosis, black lung, family planning and  
22 sexually transmitted disease clinics; hemophilia treatment  
23 centers; public housing primary care clinics; and clinics for  
24 homeless people;

25           **2. Potential applications and benefits.** A listing of  
26 potential applications of Section 340B and the potential benefits  
27 to public, private and 3rd-party payors for prescription drugs,  
28 including without limitation:

29           A. Application to inmates and employees in youth  
30 correctional facilities, county jails and state prisons;

31           B. Maximizing the use of Section 340B within state-funded  
32 managed care plans;

33           C. Including Section 340B providers in state bulk  
34 purchasing initiatives; and

35           D. Utilizing sole source contracts with Section 340B  
36 providers to furnish high-cost chronic care drugs;

37           **3. Section 340B discounts.** Discounts available through  
38 Section 340B contracts, including estimated costs savings to the  
39 State as a result of retail mark-up avoidance, negotiated  
40 subcelling prices and coordination with the MaineCare program in  
41 order to minimize costs to the program and to other purchasers of  
42 prescription drugs; and

2                   **4. Identification of resources.**   The resources available to  
potential applicants for designation as covered entities for the  
4                   application process, establishing a Section 340B program,  
restructuring the health care system or other methods of lowering  
6                   the cost of prescription drugs. The resources must include state  
and federal agencies and private philanthropic grants to be used  
for the purposes of this section; and be it further

8  
                  **Sec. 2. Report out legislation. Resolved:**   That the Joint  
10                   Standing Committee on Health and Human Services may report out  
legislation to the Second Regular Session of the 121st  
12                   Legislature regarding use in the State of Section 340B,  
restructuring the health care system or other methods of lowering  
14                   the cost of prescription drugs.

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**18**

### SUMMARY

                  This resolve requires the Department of Human Services to  
20                   study and report to the Joint Standing Committee on Health and  
Human Services by January 1, 2004 on the benefits that could be  
22                   recognized by the State if it utilized Section 340B of the  
federal Public Health Services Act to provide prescription drugs  
24                   to Maine's most vulnerable patient populations. The resolve  
authorizes the committee to report out legislation to the Second  
26                   Regular Session of the 121st Legislature.