

MAINE STATE LEGISLATURE

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(New Draft of S.P 199, L.D. 621)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 1539

S.P. 518

In Senate, April 29, 1983

Reported by the Majority Report from the Committee on Health and Institutional Services and printed under Joint Rule 2.

Original bill presented by Senator Twitchell of Oxford. Cosponsored by Representative MacBride of Presque Isle.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-THREE

AN ACT to Establish the Third-party
Prescription Program Act.

Be it enacted by the People of the State of Maine as follows:

32 MRSA c. 41, sub-c. VI is enacted to read:

SUBCHAPTER VI

THIRD-PARTY PRESCRIPTION PROGRAM ACT

§2931. Legislative intent

The Legislature finds that certain practices and policies exist which are unfair to providers of pharmaceutical services and result in increased costs to consumers and threaten the availability of pharmaceutical services to the public. The purpose of this

1 Act is to provide minimum standards which will apply
2 to all 3rd-party prescription programs for the bene-
3 fit of the general public and the providers of
4 pharmaceutical services.

5 §2932. Short title

6 This Act may be cited as the Third-party Pre-
7 scription Program Act.

8 §2933. Definition

9 As used in this Act, "3rd-party prescription pro-
10 gram" means any system of providing for the reim-
11 bursement of pharmaceutical goods and services under
12 a contractual arrangement or agreement between a
13 provider of goods and services and another party who
14 is not the consumer of those goods and services.
15 These programs include, but are not limited to,
16 insurance plans which provide coverage for prescrip-
17 tion drugs or other pharmaceutical services.

18 §2934. Notice

19 No 3rd-party prescription program may be insti-
20 tuted in this State until written notice of the
21 provisions of this program has been filed with the
22 Superintendent of Insurance and given to all
23 pharmacies which are located within the counties cov-
24 ered by the program at least 30 days prior to the
25 commencement of the program. In the case of chain or
26 branch pharmacies, the notice shall be given to the
27 main or headquarters office. These pharmacies shall
28 have 30 days from the date of notice to enroll in the
29 program.

30 §2935. Denial of payment

31 No program administrator may deny payment for
32 services to any pharmacy which may have resulted from
33 the fraudulent or illegal use of an identification
34 card by any person, unless the pharmacy has been
35 notified that the card has been canceled or discon-
36 tinued and that the program administrator has been
37 unsuccessful in attempting to regain possession of
38 the card.

1 §2936. Reimbursement rates

2 1. Reimbursement rates. No agreement between a
3 program administrator and a pharmacy may establish
4 reimbursement rates or procedures that result in the
5 reimbursement for goods or services relating to per-
6 sons covered by the plan which are less than cost
7 plus a dispensing fee of \$3.40. The amount of the
8 dispensing fee established by this subsection is sub-
9 ject to change pursuant to the provision on adjust-
10 ment in subsection 2.

11 2. Adjustment of dispensing fee amount. From
12 time to time the dispensing fee in subsection 1 shall
13 change, as provided in this subsection, according to
14 and to the extent of changes in the Consumer Price
15 Index for Urban Wage Earners and Clerical Workers:
16 United States City Average, All Items, 1967=100, com-
17 puted by the United States Department of Labor,
18 Bureau of Labor Statistics, and hereafter referred to
19 as the "Index." The Index for December, 1982, is the
20 Reference Base Index.

21 The dispensing fee shall change on July 1st of each
22 year, calculated to the nearest whole percentage
23 point. If the percentage of change between the Index
24 at the end of the preceding year and the Reference
25 Base Index is 10% or more, any amount of change in
26 excess of 10% may be disregarded.

27 3. Fixed charges. A 3rd-party prescription pro-
28 gram is prohibited from charging a pharmacy a regis-
29 tration fee or other fixed charges, either annually
30 or otherwise, except in cases where a charge is
31 necessary to specifically cover any equipment, forms
32 or materials required by the program.

33 §2937. Contract renewal and changes

34 Any change in benefits or provisions in any con-
35 tract cannot be made unilaterally by either the pro-
36 gram administrator or the pharmacy. Any change in a
37 contract offered to one pharmacy shall be offered to
38 all the state pharmacies participating in the pro-
39 gram.

40 §2938. Exceptions

1 This Act does not apply to any medical assistance
2 or public health programs administered by the Depart-
3 ment of Human Services, including, but not limited
4 to, the Maine Medicaid Program, the Catastrophic Ill-
5 ness Program and the Drugs for the Elderly Program.

6 STATEMENT OF FACT

7 Title 32, sections 2931, legislative intent;
8 2932, short title; and 2933, definition are identical
9 to the original bill. In section 2934, notice, a new
10 2nd sentence has been added.

11 Title 32, section 2935, denial of payment, has
12 been simplified.

13 Title 32, section 2936, reimbursement rates, is
14 altered by specifying that the reimbursement rate
15 will not be less than cost plus \$3.40, and providing
16 that this will be adjusted annually.

17 Title 32, section 2937, contract changes, elimi-
18 nates the previous provision that contracts could not
19 be in force for longer than 2 years.

20 Title 32, section 2938, exceptions, expands the
21 previous exemption to include other programs adminis-
22 tered by the Department of Human Services.

23 The new draft also eliminates several sections
24 that were in the bill relating to required contrac-
25 tual provisions, cancellation, withholding of pay-
26 ment, interest, administrative fees, fiduciary and
27 bonding requirements and penalties for failure to
28 comply with the provisions of the subchapter.

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