

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

No. 739

H.P. 543

House of Representatives, March 2, 1993

**Resolve, to Provide Savings in the Elderly Low-cost Drug Program.**

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Reference to the Committee on Human Resources suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative TREAT of Gardiner.

Cosponsored by Representative GOULD of Greenville, Senator PARADIS of Aroostook and Representatives: ADAMS of Portland, GEAN of Alfred, KNEELAND of Easton, MORRISON of Bangor, NORTON of Winthrop, Senator: McCORMICK of Kennebec.

2           **Sec. 1. Mail order; request for proposals. Resolved:** That by  
3           October 1, 1993, the Department of Human Services shall issue a  
4           request for proposals for a mail-order option in the elderly  
5           low-cost drug program. Notwithstanding the Maine Revised  
6           Statutes, Title 5, chapter 155 and Title 22, section 254, the  
7           department may consider only proposals that:

8           1. Are submitted by in-state bidders. For the purposes of  
9           this section, "in-state bidder" means a person or group of  
10           persons whose principal place of business is located in the State;

11           2. Include a financial incentive to the consumer;

12           3. Are estimated by the department to result in a  
13           mail-order option with unit costs that are at least 10% less than  
14           the unit costs of the nonmail-order portion of the program.  
15           Notwithstanding the Maine Medical Assistance Manual, section  
16           80.01-11, a bidder may propose an amount that is less than the  
17           reimbursement charge that the bidder submits to the state  
18           Medicaid program; and  
19           

20           4. Do not make participation compulsory.

21             
22           The department may not accept any proposal that does not  
23           meet the conditions specified in this section. By January 1,  
24           1994, the department shall submit a report to the Joint Standing  
25           Committee on Human Resources and the Office of the Executive  
26           Director of the Legislative Council. The report must specify  
27           whether a proposal was accepted and, if a proposal was accepted,  
28           must specify the savings expected to result from the proposal.  
29           If the mail order option results in savings over the other  
30           distribution methods, the department shall use the savings to  
31           make new drugs available to the program or propose to the  
32           Legislature that eligibility for the elderly low-cost drug  
33           program be expanded.  
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### STATEMENT OF FACT

          This resolve requires the Department of Human Services to  
offer a mail-order option in the elderly low-cost drug program.  
The resolve requires the department to issue a request for  
proposals that is limited to in-state bidders. The department  
may not accept any bid unless it estimates that the bid will save  
at least 10% over the present retail purchase system. Any  
savings realized must be used to make new drugs available through  
the program or to expand eligibility.