

MAINE STATE LEGISLATURE

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L.D. 1950

DATE: *March 30, 1998*

(Filing No. S-665)

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STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "O" to COMMITTEE AMENDMENT "A" to H.P. 1397, L.D. 1950, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and Changes to Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1998 and June 30, 1999"

Amend the amendment in Part RR in section 1 by striking out all of paragraph B (page 158, lines 2 to 13 in amendment) and inserting in its place the following:

'B. For the quarters beginning October 1, 1992, and ending on the date of approval by the federal Health Care Financing Administration of a waiver to provide Medicaid prescription drug benefits to qualified persons 62 years of age or older as provided in section 3174-G, subsection 1-A, the rebate percentage is equal to the percentage recommended by the federal Health Care Financing Administration of the manufacturer's wholesale price for the total number of dosage units of each form and strength of a prescription drug that the department reports as reimbursed to providers of prescription drugs, provided payments are not due until 30 days following the manufacturer's receipt of utilization data supplied by the department, including the number of dosage units reimbursed to providers of prescriptions prescription drugs during the period for which payments is are due.'

Further amend the amendment in Part RR in section 2 by striking out all of paragraph C (page 158, lines 17 to 31 in amendment) and inserting in its place the following:

'C. For the quarter beginning 30 days following approval by the federal Health Care Financing Administration of a waiver to provide Medicaid prescription drug benefits to qualified

persons 62 years of age or older pursuant to section 3174-G,
subsection 1-A, and each quarter thereafter, rebate payments
under this section must be calculated in the same manner as
rebates are calculated pursuant to section 3174-R.'

Further amend the amendment in Part RR in section 5 in that
part designated "~~§3174-R.~~" by striking out all of the paragraph
(page 159, lines 26 to 50 in amendment) and inserting in its
place the following:

'Upon approval by the federal Health Care Financing
Administration of a waiver to provide Medicaid prescription drug
benefits to qualified persons 62 years of age or older as
provided in section 3174-G, subsection 1-A, the department shall
enter into a drug rebate agreement with each manufacturer of
prescription drugs under the Medicaid program in accordance with
Section 1927 of the federal Social Security Act, as long as the
agreements are consistent with state and federal law, are
approved by the federal Health Care Financing Administration and
result in a net increase in rebate revenue available to the Maine
Medicaid Program. Individual rebate agreements may vary. The
department shall seek to achieve an aggregate rebate amount from
all agreements that is at least 6 percentage points higher than
the percentage of the total Medicaid drug expenditures that the
rebates would otherwise be under Section 1927 of the federal
Social Security Act. Any increase in revenue from the Medicaid
drug rebate program over accepted estimates as of the date of
approval by the federal Health Care Financing Administration of a
waiver provided in section 3174-G, subsection 1-A that results in
a higher percentage of the total Medicaid drug rebates must be
reserved to provide coverage pursuant to section 3174-G,
subsection 1-A. In the event that the department is not able to
achieve the rebate amount required by this section without
compromising the best interest of Medicaid recipients and the
Medicaid drug rebate program, the department shall report to the
joint standing committee of the Legislature having jurisdiction
over health and human services matters and the joint standing
committee of the Legislature having jurisdiction over
appropriations and financial affairs in the next regular session
of the 119th Legislature.'

FISCAL NOTE

This amendment may increase the General Fund cost of the
bill by an undetermined amount in fiscal year 1998-99 due to a
change in the elderly low-cost drug rebate program.

SENATE AMENDMENT "O" to COMMITTEE AMENDMENT "A" to H.P. 1397,
L.D. 1950

SUMMARY

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This amendment clarifies that the calculation of the rebate and the negotiation of the rebate agreements authorized by this Act are to occur after the approval by the federal Health Care Financing Administration of a waiver to provide Medicaid prescription drug benefits to qualified persons 62 years of age or older as provided in the Maine Revised Statutes, Title 22, section 3174-G, subsection 1-A.

SPONSORED BY:

(Senator HARRIMAN)

COUNTY: Cumberland