

MAINE STATE LEGISLATURE

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M
R.D.S.

L.D. 2379

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DATE: 4/8/2000

(Filing No. S-679)

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HEALTH AND HUMAN SERVICES

Reported by:

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION**

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COMMITTEE AMENDMENT "A" to S.P. 929, L.D. 2379, Bill, "An
Act to Eliminate the Discriminatory Tax on the Electronic Filing
of Prescription Drug Reimbursement"

24
Amend the bill by striking out the title and substituting
the following:

26
28
**'An Act to Establish a Comprehensive Electronic Claims-filing
System for the Medicaid Program'**

30
Further amend the bill by striking out all of section 1 and
inserting in its place the following:

32
'Sec. 1. 22 MRSA §3174-X is enacted to read:

34
**§3174-X. Comprehensive electronic claims-filing system for
Medicaid program**

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42
By July 1, 2002, the department shall establish a
comprehensive electronic claims-filing system for the Medicaid
program. The system must be available to all providers without
additional cost, be funded by the State and maximize the use of
federal matching funds for the development and implementation of
the system and may not result in a reduction in reimbursement
rates.

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Sec. 2. Study. The Department of Human Services shall conduct
an in-depth study of pharmacy services prior to changing the
dispensing fee for pharmacy service claims. This study must
determine the full cost of filling a prescription and providing

COMMITTEE AMENDMENT

2 pharmacy services, including reasonable profits, in the Medicaid
3 program pursuant to the Maine Revised Statutes, Title 22, chapter
4 855, the Cub Care program pursuant to Title 22, section 3174-T,
5 the elderly low-cost drug program pursuant to Title 22, section
6 254 and the Maine resident low-cost prescription drug program
7 pursuant to Title 22, section 254-B. The department shall
8 consider the results of this study when determining pharmacy
9 reimbursement rates. By January 2, 2002, the department shall
10 report to the joint standing committee of the Legislature having
11 jurisdiction over health and human services matters the results
12 of the study of pharmacy services.

13
14 **Sec. 3. Report.** By March 1, 2002, the Department of Human
15 Services shall report to the joint standing committee of the
16 Legislature having jurisdiction over health and human services
17 matters regarding the comprehensive electronic claims-filing
18 system established pursuant to the Maine Revised Statutes, Title
19 22, section 3174-X.

20 **Sec. 4. Appropriation.** The following funds are appropriated
21 from the General Fund to carry out the purposes of this Act.

22
23 **2000-01**

24 **HUMAN SERVICES, DEPARTMENT OF**

25 **Bureau of Medical Services**

26
27 All Other \$1,416,613

28
29 Provides funds to establish a comprehensive
30 electronic claims-filing system for the
31 Medicaid program.

32
33 **DEPARTMENT OF HUMAN SERVICES**
34 **TOTAL**

35
36 \$1,416,613

37 **MENTAL HEALTH, MENTAL RETARDATION**
38 **AND SUBSTANCE ABUSE SERVICES,**
39 **DEPARTMENT OF**

40
41 **Office of Management and Budget**

42
43 All Other \$258,700

44
45 Provides funds associated with the
46 establishment of a comprehensive electronic
47 claims-filing system for the Medicaid
48 program.

2 **DEPARTMENT OF MENTAL HEALTH, MENTAL**
4 **RETARDATION AND SUBSTANCE ABUSE**
6 **SERVICES**
8 **TOTAL** \$258,700

8 **TOTAL APPROPRIATIONS** \$1,675,313

10 **Sec. 5. Allocation.** The following funds are allocated from the
12 Federal Expenditures Fund to carry out the purposes of this Act.

14 **2000-01**
16 **HUMAN SERVICES, DEPARTMENT OF**

18 **Bureau of Medical Services**

20 All Other \$12,071,402

22 Provides funds for the federal match
24 associated with the establishment of a
comprehensive electronic claims-filing
system for the Medicaid program.'

26 Further amend the bill by inserting at the end before the
28 summary the following:

30 **FISCAL NOTE**

32 This bill includes General Fund appropriations totaling
34 \$1,675,313 in fiscal year 2000-01 for the Department of Human
36 Services and the Department of Mental Health, Mental Retardation
38 and Substance Abuse Services and an allocation of \$12,071,402
40 from the Federal Expenditures Fund for the Department of Human
42 Services to establish a comprehensive electronic claims filing
system for the Medicaid program. The Governor's proposed
supplemental budget for 2000-2001, LD 2510 as adjusted with
proposed changes, includes General Fund appropriations totaling
\$1,675,313 and a Federal Expenditures Fund allocation of
\$12,071,402 in fiscal year 2000-01 for this purpose.

44 The Department of Human Services will incur some minor
46 additional costs to submit the required report. These costs can
be absorbed within the department's existing budgeted resources.

48 The additional costs associated with conducting an in-depth
study of pharmacy services and submitting the required report can

2 be absorbed by the Department of Human Services utilizing
existing budgeted resources.'

4
6 **SUMMARY**

8 This amendment replaces the bill. The amendment:

10 1. Provides a new title;

12 2. Requires the Department of Human Services to develop and
implement a comprehensive electronic claims-filing system
14 available to all providers in the Medicaid program. The system
must be funded with state and federal funds. The amendment
16 requires a report to the joint standing committee of the
Legislature having jurisdiction over health and human services
18 matters by January 2, 2002 on the pharmacy services study;

20 3. Requires the Department of Human Services to conduct an
in-depth study of pharmacy services prior to changing the
dispensing fee for pharmacy service claims. This study must
22 determine the full cost of filling a prescription and providing
pharmacy services, including reasonable profits, in the Medicaid
24 program, Cub Care program, elderly low-cost drug program and
Maine resident low-cost prescription drug program. The
26 department is required to consider the results of this study when
determining pharmacy reimbursement rates. By January 2, 2002,
28 the department is required to report to the joint standing
committee of the Legislature having jurisdiction over health and
30 human services matters the results of the study of the pharmacy
services; and

32 4. Adds a fiscal note to the bill.
34