

MAINE STATE LEGISLATURE

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L.D. 2599

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DATE: May 11, 2000

(Filing No. S-806)

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STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to S.P. 1026, L.D. 2599, Bill, "An Act to Establish Fairer Pricing for Prescription Drugs"

Amend the amendment by striking out on page 1 everything after the title (page 1, lines 22 to 50 in amendment) and all of pages 2 and 3 and on page 4 (lines 1 to 31 in amendment) and inserting in their place the following:

'Amend the bill by striking out all of Part A and inserting in its place the following:

PART A

Sec. A-1. 22 MRSA §254, sub-§4-A, as amended by PL 1999, c. 731, Pt. TT, §7, is repealed and the following enacted in its place:

4-A. Payment for drugs provided. The commissioner may establish the amount of payment to be made by recipients toward the cost of prescription or nonprescription drugs, medications and medical supplies furnished under this program as follows:

A. For any covered purchase of a prescription or nonprescription drug or medication provided under the basic component of the program or any covered purchase of a generic prescription drug or medication under the supplemental component of the program:

(1) For a person at or below 100% of the federal poverty line, the total cost paid by the individual does not exceed 20% of the price allowed for that

2 prescription under program rules, or \$2, whichever is
3 greater;

4 (2) For a person above 100% but at or below 200% of
5 the federal poverty line, the total cost paid by the
6 individual does not exceed 50% of the price allowed for
7 that prescription under program rules, or \$2, whichever
8 is greater; and

10 (3) For a person above 200% but at or below 300% of
11 the federal poverty line, the total cost paid by the
12 individual does not exceed 80% of the price allowed for
13 that prescription under program rules, or \$2, whichever
14 is greater; and

16 B. For the supplemental component of the program, except
17 for the covered purchase of a generic prescription drug or
18 medication, the total cost paid by the program for any
19 covered purchase of a prescription drug or medication may
20 not exceed \$2. For the supplemental component of the
21 program, the total cost paid by the individual for any
22 covered purchase of a prescription drug or medication may
23 not exceed the cost of the program for that drug or
24 medication less the \$2 paid by the program.

26 After 2001, the commissioner shall establish an annual limit on
27 the costs paid by eligible persons for covered prescription or
28 nonprescription drugs or medications, after which the program
29 must pay 80% of the costs of all covered prescription or
30 nonprescription drugs or medications. The annual limit for 2001
31 is \$1,000 for a person at or below 100% of the federal poverty
32 level; \$1,500 for a person above 100% but at or below 200% of the
33 federal poverty level; and \$2,000 for a person above 200% but at
34 or below 300% of the federal poverty level. The commissioner may
35 adjust the annual limit as necessary to operate the program
36 within the program budget;

38 **Sec. A-2. 22 MRSA §3174-G, sub-§1-B,** as enacted by PL 1999, c.
39 401, Pt. KKK, §3 and affected by §10, is amended to read:

40 **1-B. Funding.** State funds necessary to implement
41 subsection 1-A must include ~~state-funds-appropriated~~ General Fund
42 appropriations and Other Special Revenue allocations from the
43 Fund for a Healthy Maine to the elderly low-cost drug program
44 operated pursuant to section 254, including rebates received in
45 that program from pharmaceutical manufacturers, that are no
46 longer needed in that program as a result of the Medicaid waiver
47 obtained pursuant to subsection 1-A, ~~and, effective in fiscal~~
48 ~~year 2000-01, no less than \$5,000,000 received from the tobacco~~
49 ~~settlement in State of Maine, v. Philip Morris, et al., Kennebec~~
50 ~~County Superior Court, Docket No. CV-97-134.~~

2 **Sec. A-3. Appropriation.** The following funds are appropriated
4 from the General Fund to carry out the purposes of this Part.

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2000-01

**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF**

Bureau of Revenue Services

Positions - Legislative Count	(6,000)
Personal Services	\$154,943
All Other	172,267

Provides funds for 2 Tax Examiner positions, 2 Clerk III positions and 2 Clerk Typist II positions, related expenses, computer programming costs, printing costs and postage as a result of the expansion in eligibility for the elderly low-cost drug program.

**DEPARTMENT OF ADMINISTRATIVE
AND FINANCIAL SERVICES
TOTAL**

\$327,210

32 **Sec. A-4. Allocation.** The following funds are allocated from
34 Other Special Revenue funds to carry out the purposes of this
36 Part.

2000-01

**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF**

Biennial Reserve Account

All Other	(\$25,000,000)
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Provides for the deallocation of funds from the Fund for a Healthy Maine from funds that were intended to be used in future biennia.

2 **DEPARTMENT OF ADMINISTRATIVE AND**
3 **FINANCIAL SERVICES**
4 **TOTAL** (\$25,000,000)

6 **HUMAN SERVICES, DEPARTMENT OF**

8 **Low-cost Drugs to Maine's Elderly**

10 All Other \$25,000,000

12 Notwithstanding the Maine
13 Revised Statutes, Title 22,
14 section 1511, provides funds
15 from the Fund for a Healthy
16 Maine's Biennial Reserve
17 Account to expand the
18 eligibility of the elderly
19 low-cost drug program from
20 185% to 300% of the federal
21 nonfarm income official
22 poverty level.

24 **DEPARTMENT OF HUMAN SERVICES**
25 **TOTAL** \$25,000,000

28 **TOTAL ALLOCATIONS** \$0' '

30 **FISCAL NOTE**

32 This amendment reduces the General Fund cost of the bill by
33 \$489,694 in fiscal year 2000-01. This amendment replaces the
34 General Fund appropriations in the bill totaling \$816,904 with a
35 General Fund appropriation of \$327,210 in fiscal year 2000-01 for
36 the Bureau of Revenue Services for the costs associated with
37 expanding the eligibility for the elderly low-cost drug program.

38 This amendment also strikes the Federal Expenditures Fund
39 allocation of \$19,819 in fiscal year 2000-01.

42 This amendment also adds an Other Special Revenue funds
43 allocation of \$25,000,000 from the Fund for a Healthy Maine in
44 fiscal year 2000-01 for the Department of Human Services to
45 expand access to drugs and medicines for persons at or below 300%
46 of the federal poverty level under the Elderly Low-cost Drug
47 Program. The allocation is offset by a deallocation of
48 \$25,000,000 from the Biennial Reserve Account in the Department
of Administrative and Financial Services.

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SUMMARY

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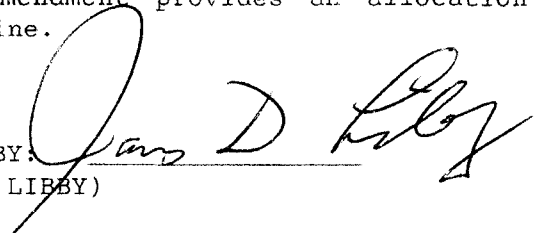
6 This amendment strikes that portion of the bill, as amended
by Committee Amendment "A," that establishes the Maine
8 Prescription Drug Fair Pricing Act. This amendment instead
increases the eligibility for the basic component of the elderly
10 low-cost drug program to persons at or below 300% of the federal
poverty level, places a maximum on the out-of-pocket cost to
12 those persons based on a sliding scale and expands access to
drugs and medications through a benefit for generic drugs and a
14 limit on out-of-pocket expenses in the supplemental component,
after which the program will pay 80% of the costs.

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The amendment provides an allocation from the Fund for a
Healthy Maine.

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SPONSORED BY: 
(Senator LIBBY)

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COUNTY: York

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