

MAINE STATE LEGISLATURE

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L.D. 1220

DATE: 5-19-03

(Filing No. H-447)

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HEALTH AND HUMAN SERVICES

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12 the House.

14 **STATE OF MAINE**
HOUSE OF REPRESENTATIVES
16 **121ST LEGISLATURE**
FIRST REGULAR SESSION

18 COMMITTEE AMENDMENT "A" to H.P. 894, L.D. 1220, Bill, "An
20 Act To Amend the Dates for Implementation of the Maine Rx Program
22 and the Prescription Drug Price Reduction Act"

24 Amend the bill by inserting after the enacting clause and
before the concept draft summary the following:

26 **Sec. 1. 22 MRSA §2681, sub-§4, ¶C**, as enacted by PL 1999, c.
28 786, Pt. A, §3, is amended to read:

30 C. With respect to the rebate taking effect no later than
32 ~~October 1, 2001~~ January 1, 2005, the commissioner shall use
34 the commissioner's best efforts to obtain an amount equal to
or greater than the amount of any discount, rebate or price
reduction for prescription drugs provided to the Federal
Government.

36 **Sec. 2. 22 MRSA §2681, sub-§5, ¶¶B and C**, as enacted by PL
38 1999, c. 786, Pt. A, §3, are amended to read:

40 B. Beginning ~~January 1, 2001~~ April 1, 2004, a participating
retail pharmacy shall offer the initial discounted price.

42 C. No later than ~~October 1, 2001~~ January 1, 2005, a
44 participating retail pharmacy shall offer the secondary
discounted price.

46 **Sec. 3. 22 MRSA §2693, sub-§1, ¶¶A and B**, as enacted by PL
48 1999, c. 786, Pt. A, §3, are amended to read:

50 A. By ~~July 1, 2002~~ October 1, 2005, the department shall
adopt rules establishing the procedures for adoption and

COMMITTEE AMENDMENT

2 periodic review of maximum retail prices, the procedures for
3 establishing maximum retail prices for new prescription
4 drugs and for reviewing maximum retail prices of selected
5 drugs and the procedures for phasing out or terminating
6 maximum retail prices. Prior to adopting rules pursuant to
7 this paragraph, the commissioner shall consult with and
8 consider the recommendations of the commission regarding the
9 rules.

10 B. By ~~January 5, 2003~~ April 1, 2006, the commissioner shall
11 determine whether the cost of prescription drugs provided to
12 qualified residents under the Maine Rx Program pursuant to
13 subchapter ~~1~~ 1 is reasonably comparable to the lowest cost
14 paid for the same drugs delivered or dispensed in the
15 State. In making this determination the following
16 provisions apply.

18 (1) The commissioner shall review prescription drug
19 use in the Medicaid program using data from the most
20 recent 6-month period for which data is available.

22 (2) Using the data reviewed in subparagraph (1), the
23 commissioner shall determine the 100 drugs for which
24 the most units were provided and the 100 drugs for
25 which the total cost was the highest.

26 (3) For each prescription drug listed in subparagraph
27 (2), the commissioner shall determine the cost for each
28 drug for qualified residents provided those drugs under
29 the Maine Rx Program on a certain date. The average
30 cost for each such drug must be calculated.

32 (4) For each prescription drug listed in subparagraph
33 (2), the commissioner shall determine the lowest cost
34 for each drug paid by any purchaser on the date that is
35 used for subparagraph (3) delivered or dispensed in the
36 State, taking into consideration the federal supply
37 schedule and prices paid by pharmaceutical benefits
38 managers and by large purchasers and excluding drugs
39 purchased through the Maine Rx Program. The average
40 cost for each such drug must be calculated.

42 (5) If the average cost for one or more prescription
43 drugs under the Maine Rx Program as determined in
44 subparagraph (3) is not reasonably comparable to the
45 average lowest cost for the same drug or drugs as
46 determined in subparagraph (4), the commissioner shall
47 establish maximum retail prices for any or all
48 prescription drugs sold in the State. Maximum
49 prescription drug prices established under this
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COMMITTEE AMENDMENT "A" to H.P. 894, L.D. 1220

subparagraph must take effect ~~July 1, 2003~~ October 1, 2006.

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SUMMARY

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This amendment begins the discounts under the Maine Rx Program April 1, 2004 and extends the other dates in that program and the Prescription Drug Access Price Reduction Act correspondingly.

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FISCAL NOTE REQUIRED
(See attached)



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1220

**An Act To Amend the Dates for Implementation of the Maine Rx
Program and the Prescription Drug Price Reduction Act**

LR 0071(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Health and Human Services

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium cost increase - General Fund

Fiscal Detail and Notes

The bill modifies the effective dates of the original MaineRx program. As a result of legal challenges, the MaineRx program has never been in operation. In the interim, the program's original start-up funding has been eliminated. The Supreme Court rules in the State's favor (arguments heard 1/22/03), with the amended effective dates, the program would need an alternative source of start-up funding. The bill does not include this funding.