

Medical Assistance Program, minus the aggregate value of any federally mandated manufacturers' rebates AND ANY STATE CONTRIBUTION AMOUNT.

~~(2) Subject to subsection (g) of this section, and to the extent authorized under federal waiver, an enrollee whose annual household income is at or below [175] 200 percent of the federal poverty guidelines may receive a discount subsidized by the Department that is equal to [35] 22 percent of the price paid by the Maryland Medical Assistance Program for each medically necessary prescription drug purchased under the Program.~~

(g) The Department may establish mechanisms to:

(1) Recover the administrative costs of the Program;

(2) Reimburse participating pharmacies in an amount equal to the Maryland Medical Assistance price, minus the copayment paid by the enrollee for each prescription filled under the Program; and

(3) Allow participating pharmacies to collect a \$1 processing fee, in addition to any authorized dispensing fee, for each prescription filled for an enrollee under the Program.

(h) The Secretary shall adopt regulations to implement the Program.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before September 1, 2005, the Department of Health and Mental Hygiene shall submit to the Centers for Medicare and Medicaid Services an application for an amendment to the State's existing § 1115 demonstration waiver necessary to implement the ~~expansion~~ alterations to the eligibility requirements of the Maryland Pharmacy Discount Program, as provided under Section 1 of this Act.

(b) The Department shall apply for federal matching funds subject to budget neutrality requirements under § 1115 of the Social Security Act and the availability of State funds.

(c) If the application for the amendment to the State's § 1115 demonstration waiver under this section is approved, all individuals enrolled in the Maryland Pharmacy Discount Program on or before the date of approval of the waiver amendment application may remain enrolled in the Program through December 31, 2005.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect on the date that the Centers for Medicare and Medicaid Services approves a waiver amendment applied for in accordance with Section 2 of this Act. The Department of Health and Mental Hygiene, within 5 days after receiving notice of the approval or denial of the waiver amendment application, shall forward a copy of the notice to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401. If the waiver amendment applied for in accordance with Section 2 of this Act is denied, this Act shall be null and void without the necessity of any further action by the General Assembly.