

legislation authorizing special funds from the premium tax exemption on nonprofit health service plans to be used for this program effective January 1, 2006.

Further provided that \$3,150,000 of this appropriation may not be expended for any program or purpose except that the funds may be expended to purchase case management services for individuals with conditions that meet the medical eligibility criteria that were utilized in fiscal 2005 for the Rare and Expensive Case Management Program (REM). Further provided that no funds in this appropriation may be expended for payments to managed care organizations for services for individuals who participated in REM in fiscal 2005 unless the REM participant voluntarily chooses to enroll with a managed care organization. Further provided that the Department of Health and Mental Hygiene shall report to the budget committees, the Senate Finance Committee, and the House Health and Government Operations Committee by October 1, 2005, on options for reducing future REM costs. The report shall be developed in consultation with REM stakeholders and should include specific cost saving proposals including the transition of some or all REM enrollees to managed care.

Further provided that \$102,000 of this appropriation shall be reduced contingent upon the enactment of legislation increasing the copay, in the Maryland Pharmacy Assistance Program, by \$1 for prescription drugs that are not on the Preferred Drug List.

~~Further provided that \$18,500,000 of this appropriation may only be expended for rate increases for physician services for the medical specialties of obstetrics,~~