

changes as that percentage is reported in the Federal Register pursuant to 42 USC 415 (i)(2)(d) but not to exceed 8 percent; or

2. The dollar amount by which the medical assistance income schedules are increased by the State ~~IN ACCORDANCE WITH THE UPDATE OF POVERTY--INCOME--GUIDELINES--ISSUED ANNUALLY--BY--THE--UNITED--STATES--DEPARTMENT OF HEALTH AND HUMAN SERVICES.~~

(b) (1) The Maryland Pharmacy Assistance Program shall reimburse providers for those kinds of items and services that are covered by the pharmacy program of the Maryland Medical Assistance Program. HOWEVER, FOR ANY DRUG ON THE PROGRAM'S INTERCHANGEABLE DRUG LIST, THE PROGRAM SHALL REIMBURSE PROVIDERS IN AN AMOUNT NOT MORE THAN IT WOULD REIMBURSE FOR THE DRUG'S GENERIC EQUIVALENT, UNLESS THE INDIVIDUAL'S PHYSICIAN STATES THAT THE--GENERIC--EQUIVALENT--IS--NOT--MEDICALLY APPROPRIATE FOR THAT PATIENT, IN HIS OR HER OWN HANDWRITING, ON THE FACE OF THE PRESCRIPTION, THAT A SPECIFIC BRAND IS "MEDICALLY NECESSARY" FOR THE PARTICULAR PATIENT.

(2) The reimbursement shall be up to the amount paid for the same items or services under the pharmacy program of the Maryland Medical Assistance Program and subject to a copayment of not more than \$1 for each covered item or service.

(c) (1) The Secretary shall adopt rules and regulations that authorize the denial, restriction, or termination of eligibility for recipients who have abused benefits under the Maryland Pharmacy Assistance Program.

(2) AS A CONDITION OF PARTICIPATION, THE DEPARTMENT MAY REQUIRE MARYLAND PHARMACY ASSISTANCE PROGRAM PARTICIPANTS TO APPLY FOR ELIGIBILITY IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM WITHIN 60 DAYS OF NOTIFICATION TO DO SO BY THE DEPARTMENT.

~~(2)~~ (3) The rules and regulations shall require that the recipient be given notice and an opportunity for a hearing before eligibility may be denied, restricted, or terminated under this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1989.

Approved May 19, 1989.
