

(f) The Department of Health and Mental Hygiene may implement measures to encourage the use of medically appropriate generic drugs and those brand name drugs on a preferred drug list, including:

(1) The use of tiered copayments for Medicaid and the Maryland Pharmacy Assistance Program [provided that the amounts set for those copayments do not result in an increase in total copayment collections];

(2) The use of differential dispensing fees to pharmacies provided that the amounts set for those dispensing fees remain revenue neutral;

(3) The use of consultation payments to pharmacies, similar to those used in the State Employee Health Benefits Plan, to encourage communication between patients, prescribers, and pharmacists regarding cost-effective drug therapies; and

(4) The implementation of education programs on the use of preferred drugs for prescribers that participate in the Medicaid and Maryland Pharmacy Assistance Programs.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 41- Governor - Executive and Administrative Departments

4-403.

(b) [For] SUBJECT TO SUBSECTION (D) OF THIS SECTION, FOR the fiscal year beginning July 1, [1975] 2004, and thereafter, the State shall pay to each subdivision, and to each qualifying municipality, each year in the manner and subject to the limitations and requirements hereinafter provided, an amount determined as follows:

(1) Share in Basic Expenditure. If the aggregate expenditures for police protection in a subdivision equal or exceed \$6.00 per capita, the State shall pay to the subdivision the amount, if any, by which the equivalent of \$6.00 per capita exceeds 0.09% of the wealth base. If the aggregate expenditures for police protection in a subdivision are less than \$6.00 per capita, the State shall pay to the subdivision the amount, if any, by which aggregate expenditures for police protection exceed that proportion of 0.09 percent of the wealth base which aggregate expenditures for police protection bear to the equivalent of \$6.00 per capita.

(2) Share Over the Basic Expenditure. In addition to the amount, if any, payable under paragraph (1) of this subsection, the State shall pay to each subdivision an amount equal to 25% of the amount, if any, by which aggregate expenditures for police protection exceed the equivalent of \$6.00 per capita. Provided however:

(i) For subdivisions with a population density less than 100 per square mile, and less than 30% of total population residing in municipalities, there shall be no payment under this paragraph.