

- (1) its progress in complying with subsections (a), (b), and (c) of this section;
- (2) an analysis of the estimated costs of implementing the fee-for-service reimbursement rate system proposed under subsections (a), (b), and (c) of this section;
- (3) any proposed changes to the fee-for-service reimbursement rates for the public mental health system; and
- (4) the schedule for implementing any proposed changes.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Department of Health and Mental Hygiene shall consult with representatives of the pharmaceutical and pharmacy industries, authorized prescribers, and patient advocates to identify and implement alternative pharmacy cost containment measures.

(b) (1) The Department may not implement a reduction in the pharmacy reimbursement rate until October 1, 2002.

(2) The Department of Health and Mental Hygiene may not increase the total copayment collection from enrollees in the Medicaid program, including enrollees in managed care organizations.

(c) On or before October 1, 2002, if additional cost savings obtained as a result of alternative cost containment measures are not sufficient to ensure that on an annualized basis the pharmacy cost containment assumed in the fiscal 2003 budget will be achieved, the Department of Health and Mental Hygiene shall implement cost containment measures with respect to pharmacy reimbursement in a manner that achieves the level of savings that would have been achieved if the pharmacy reimbursement reduction took effect on July 1, 2002.

(d) On or before October 1, 2002, the Department shall report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Economic Matters Committee, and the House Environmental Matters Committee on the measures that have been taken to identify and implement alternative cost containment measures and the projected cost savings attributed to these measures.

(e) On or before October 1, 2002, the Department shall report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Economic Matters Committee, and the House Environmental Matters Committee on the pharmacy dispensing fee for the Medicaid and Maryland Pharmacy Assistance Programs. In preparing the report, the Department shall consult with representatives from the community and independent pharmacies. The report may include the following:

- (1) an analysis of the dispensing fee structure in other states;
- (2) an analysis of current reports and literature concerning dispensing fees in state prescription drug programs; and