

loss ratio. For subsequent years, it is the intent of the General Assembly that the State recover 100 percent of the difference. DHMH shall recover the funds by reducing future payments to the sanctioned managed care organizations over a twelve month period beginning with July 2004.

Provided that the Department of Health and Mental Hygiene (DHMH) shall pay pharmacies a fee of \$4.69 for each generic and preferred drug and \$3.69 for each non-preferred drug dispensed for a Medicaid, Maryland Children's Health Program, and Maryland Pharmacy Assistance Program participant residing in an institutional setting. Further provided that DHMH shall pay a dispensing fee of ~~\$3.19~~ \$3.69 for each generic and preferred drug and ~~\$2.19~~ \$2.69 for each non-preferred drug dispensed for a Medicaid, Maryland Pharmacy Assistance Program, and Maryland Children's Health Program participant who is not residing in an institutional setting and is not enrolled with a managed care organization.

Provided that the Department of Health and Mental Hygiene shall require a \$1.00 co-payment for generic and preferred drugs provided to Medicaid beneficiaries who are not excluded from cost sharing requirements by the federal government. Further provided that the appropriation provided for Medical Care Provider Reimbursements, M00Q01.03, shall be reduced by \$1,000,000 of general funds and \$1,000,000 of federal funds to recognize savings from the co-payment on generic and preferred drugs.

The Department of Health and Mental Hygiene shall develop a pharmacy care management program for nursing home residents. The department shall work with the long term care pharmacies and