



# 128th MAINE LEGISLATURE

LD 655

LR 1795(01)

## An Act To Lower the Price MaineCare Pays for Prescription Drugs

### Preliminary Fiscal Impact Statement for Original Bill

**Sponsor: Sen. Carpenter of Aroostook**

**Committee: Health and Human Services**

**Fiscal Note Required: Yes**

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### Preliminary Fiscal Impact Statement

Contingent current biennium savings - General Fund

Contingent current biennium savings - Federal Expenditures Fund

#### Fiscal Detail and Notes

This bill requires, unless prohibited by federal law, the Commissioner of Health and Human Services to negotiate the lowest purchase price for all prescription drugs for programs under MaineCare. The Office of MaineCare Services, within the Department of Health and human Services, sets the prescription drug rates as part of it's state plan with the Center for Medicare and Medicaid Services (CMS). When proposing changes to Prescription drug reimbursement, states are required to evaluate their proposed changes in accordance with the requirements of 42 CFR Sec. 447, which essentially identifies that an Upper Payment Limit (UPL) must be identified and the cost must fall within this UPL. Additionally, states must ensure that total reimbursement to the pharmacy provider is in accordance with requirements of section 1902(a)(30)(A) of the Social Security Act (SSA), which states that states must "assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan". States must submit to CMS the proposed change in reimbursement and the supporting data through a state plan amendment formal review process. Assuming the State can identify a lower payment level that would meet the requirements of both 42 CFR Sec. 447 and section 1902(a)(30)(A) of the SSA and be approved by CMS, then some savings could be achieved.