

## **MAKING PRESCRIPTION DRUGS MORE AFFORDABLE & ACCESSIBLE FOR MARYLAND'S WORKING FAMILIES & SENIORS**

### **Introduction**

Martin O'Malley and Anthony Brown are dedicated to changing the direction of health care policy in Maryland. While the federal government continues to be unable or unwilling to confront our nation's growing health care crisis, states such as Maryland, at least for the time being, continue to be left on their own to confront the crisis within the context of balanced budget requirements and growing fiscal challenges in other areas.

When it comes to prescription drugs, since 2000 prices for brand-name prescription drugs increased by almost 40 percent.<sup>1</sup> It has been reported that American consumers are being charged, on average, at least 30 percent more than consumers in countries such as Canada and Great Britain.<sup>2</sup> This is particularly problematic for seniors, one in five whom take at least five prescription medications a day.<sup>3</sup> Making prescriptions drugs more affordable for Maryland's working families and seniors is a critical element of a comprehensive agenda to confront the triple challenge of making health care more affordable, expanding coverage, and enhancing quality.

Across the nation, states such as Illinois, Wisconsin, Kansas, Vermont, Missouri, and Maine have moved into the vanguard with efficient, consumer-focused efforts to reduce the cost of prescription drugs. In our own state, efforts such as Baltimore City's nationally recognized Medicare Part D surveillance effort and Montgomery County's prescription drug card plan are showing that innovation is possible at the local level in Maryland. Unfortunately, when it comes to State government, Maryland's working families and seniors continue to pay the price for indifference and inaction by the current governor.

Maryland can and must do better.

### **Increasing Affordability**

***Pursuing Prescription Drug Cost Savings Partnerships:*** Every day Americans across the country purchase prescription drugs via the Internet to save money. While federal law technically allows for the importation of drugs from Canada, it can only occur with the approval of the Secretary of Health and Human Services. To date, the Bush Administration has refused to grant any city or state the necessary approvals to initiate a sanctioned effort. However, the Bush

---

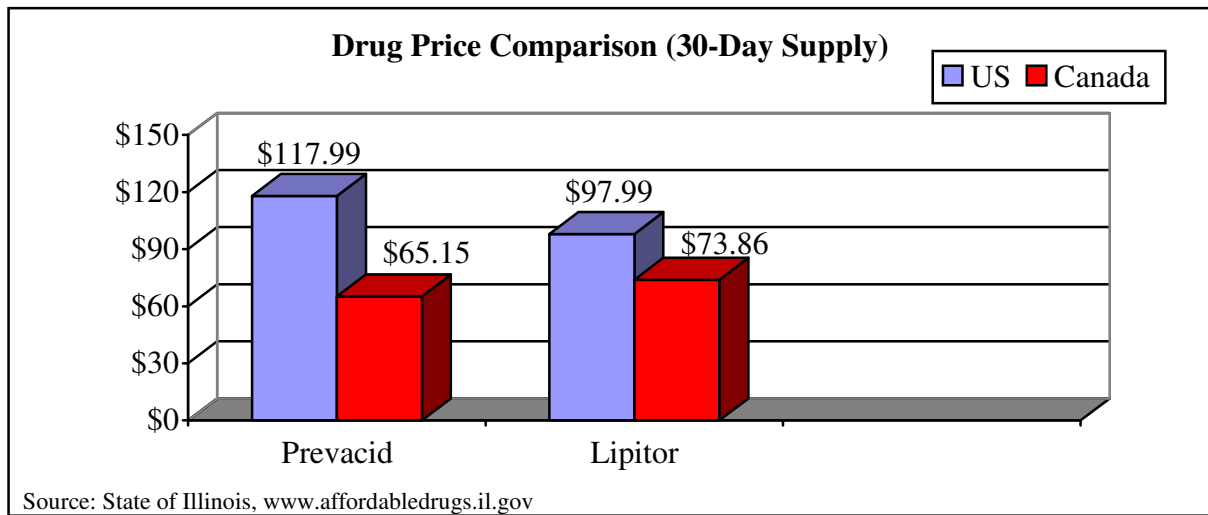
<sup>1</sup> AARP

<sup>2</sup> [www.affordabledrugs.il.gov](http://www.affordabledrugs.il.gov)

<sup>3</sup> [www.affordabledrugs.il.gov](http://www.affordabledrugs.il.gov)

Administration’s efforts to protect drug companies’ special interests have not prevented some states with advancing efforts to help their citizens realize the promise of significant cost savings possible through safe and regulated drug reimportation.

I-SaveRx is a program developed by the State of Illinois that allows its residents and now those of Wisconsin, Kansas, Missouri, and Vermont to purchase safe and affordable prescription drug refills from licensed, inspected pharmacies outside the United States. The program only uses licensed vendors and operates under a stringent system of quality controls and safety checks that include strict standards and procedures, including dispensing individually packed medicines (sometimes referred to as “blister packs”). Participants purchasing their refills through I-SaveRx can save from 25 – 80 percent off national retail prices. (Please see [www.i-saverx.net/](http://www.i-saverx.net/) and [www.affordabledrugs.il.gov/](http://www.affordabledrugs.il.gov/) for additional information.)



Local jurisdictions across the state, legislative leaders in the General Assembly, and health care and consumer advocates have expressed support for safe and efficient reimportation efforts in Maryland. While the Office of the Maryland Attorney General has indicated that the federal government’s refusal to grant interested states approval for sanctioned efforts could lead to tort liability accruing to the State of Maryland if it pursued such as effort, the State could statutorily create immunity for itself or a political subdivision. In hopes of realizing considerable cost savings that could be passed on to Maryland’s working families and seniors, Martin O’Malley and Anthony Brown believe the State should work with the leadership of the General Assembly and, with the continued guidance of the Maryland Attorney General, actively seek to join other states in the I-SaveRx initiative.

***Leveraging Statewide Purchasing Power:*** A potentially complementary or alternative strategy to drug reimportation involves the State examining ways to leverage its purchasing power in an attempt to obtain prescription drugs at lower prices.

In 2000, Maine enacted legislation to use its bulk purchasing power to negotiate drug discounts for the uninsured. The effort, called Maine Rx, was challenged, but eventually upheld by the U.S. Supreme Court. Renamed Maine Rx Plus and in operation since January 2004, the program now serves nearly 100,000 residents with household incomes under 350 percent of the federal poverty level providing the largest drug discounts of any state program in the country (an average of 26 percent on brand-name drugs and 51 percent on generics). Drug manufacturers participate in the program and negotiate with the State of Maine so they can be included on the state's Medicaid preferred drug list.

States have been slow to duplicate Maine Rx Plus because of the perceived threat of litigation by pharmaceutical manufacturers. Despite all the drug companies' efforts to disrupt it, the Maine program continues to flourish. Additionally, the Bush Administration's Center for Medicare and Medicaid Services (CMS) has not blocked Maine Rx Plus. While Maryland enacted a law to duplicate Healthy Maine in 2004, its federal waiver request to operate a similar program is still pending. Similar to drug reimportation, Martin O'Malley and Anthony Brown believe the State should work with the leadership of the General Assembly and, with the guidance of the Maryland Attorney General, look to move forward with the Maine Rx Plus program as soon as possible so Maryland's working families and seniors can begin enjoying lower prescription drug prices sooner. (Please see [www.maine.gov/dhhs/mainerx/index.htm](http://www.maine.gov/dhhs/mainerx/index.htm) or [www.cfpa.org/issues/issue.cfm/issue/PrescriptionDrugPricing.xml](http://www.cfpa.org/issues/issue.cfm/issue/PrescriptionDrugPricing.xml) for more information regarding the Maine program.)

### **Ensuring and Expanding Access to Prescription Drugs**

***Expanding Medicare Part D Surveillance and Outreach Efforts:*** The City of Baltimore, in partnership with health care providers and seniors advocates, started the Baltimore Medicare Part D Surveillance and Response Initiative to support seniors and pharmacists in their transition to the new Medicare prescription drug program. The scope of the transition to Part D coverage is unprecedented. Approximately 81,000 underprivileged Marylanders are being moved from coverage under Medicaid to the new Medicare Part D prescription drug benefit. An additional 45,000 low-income older adults needed to be switched from state-run pharmacy assistance programs. All of the over 570,000 Maryland seniors on Medicare had to join an HMO or find a new Prescription Drug Plan that they can add on to their existing Medicare coverage if they choose to participate.

In response to the inadequacy of planning and implementation efforts, Martin O'Malley made sure that the City of Baltimore took strong action on behalf of its seniors, developing a multi-faceted initiative that included:

- 24-hour reporting by pharmacies to the Health Department of problems experienced by fellow residents with Medicare Part D;

- Follow-up support by the city’s Commission on Aging and Retirement Education to all Baltimore City residents identified as having problems with Medicare Part D;
- Immediate intervention to prevent Baltimore City’s poorest and most vulnerable residents from forgoing essential medications during the transition, including drawing from a reserve fund for medications;
- Advocacy on behalf of city residents if private Medicare drug plans consistently fail to meet expectations on coverage; and
- Outcome assessment and performance measurement, including monitoring of Emergency Department utilization by older citizens in Baltimore.

“With the federal government still struggling to explain the ins and outs of the Medicare prescription drug benefit... officials in [Baltimore] have come up with an inventive approach of their own: They are treating complex program as if it were a massive outbreak of disease and mobilizing local resources accordingly.” *Los Angeles Times*

The City’s Health Department also evaluated this initiative for lessons that can be applied to preparedness for natural disasters, outbreaks of infectious disease, and bioterrorism. Martin O’Malley and Anthony Brown believe that Baltimore’s Medicare Part D Surveillance and Response Initiative should serve as the foundation for a similar Statewide initiative to ensure that some of Maryland’s most vulnerable citizens are receiving the prescription drug coverage to which they are entitled. (Please see [www.baltimorecitymedicare.org/](http://www.baltimorecitymedicare.org/) for more information regarding the City of Baltimore’s Medicare Part D efforts.)

**Creating a Statewide Prescription Drug Discount Program:** First pioneered by Montgomery County through its Montgomery Rx program and later replicated by the City Baltimore with its ScriptSave prescription drug discount card, local Maryland jurisdictions have demonstrated an ability to afford their residents access to a free prescription drug card service that can offer consumer discounts on retail drug prices. Martin O’Malley and Anthony Brown believe the State of Maryland should work to offer a similar type prescription drug discount program and examine facilitating consumer enrollment and use by advertising the effort at the State’s public facilities and offering automatic sign up through the Department of Motor Vehicles’ regular State drivers license and identification application and renewal services. (To learn more about Montgomery County’s and the City of Baltimore’s prescription drug card efforts please visit [www.montgomerycountymd.gov](http://www.montgomerycountymd.gov) and [www.baltimorecity.gov](http://www.baltimorecity.gov).)

