January 24, 2012

Senator Earl L. McCormick, Chair
Representative Meredith N. Strang Burgess, Chair
Members of the Joint Standing Committee on Health and Human Services
#100 State House Station
Augusta ME 04333-0100

Dear Senator Earl L. McCormick, Representative Meredith N. Strang Burgess and Members of the Joint Standing Committee on Health and Human Services:

The Department of Health and Human Services, Office of MaineCare Services is required by Title 22: HEALTH AND WELFARE; Subtitle 2: HEALTH; Part 5: FOODS AND DRUGS Chapter 603: PRESCRIPTION DRUG ACCESS HEADING: PL 1999, C. 786, PT. A, §3 (NEW) Subchapter 1: MAINE RX PLUS PROGRAM HEADING: PL 1999, C. 786, PT. A, §3 (NEW); 2003, C. 494, §1 (RPR) § 258 to report on the Maine Rx enrollment and financial status by the second week of January each year.

Background
The Maine Rx program allows qualified Maine residents to buy drugs at a discounted rate (or the same rate that MaineCare will pay). These residents are not eligible for MaineCare and have an income level up to 350% of the federal poverty limit. The eligible citizens receive a discount card that is honored by most community pharmacies. Retail chains that have their own discount program do not except the discount card. The Department does not pay for any portion of the drug, but does pay its Pharmacy Benefit Manager a fee for processing the claims. The Pharmacy receives an incentive payment for accepting the card and providing low income Mainers with this benefit.

Data

<table>
<thead>
<tr>
<th>Maine Rx – Data Summary For Calendar Year Ending December 31, 2010</th>
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<tbody>
<tr>
<td>Current member count</td>
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<tr>
<td>Clients with Utilization in 2011</td>
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<tr>
<td>Administrative cost 2011</td>
</tr>
<tr>
<td>Pharmacy Incentive Payments</td>
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<tr>
<td>Total Maine Rx Cost</td>
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As a budget initiative, the Department is required to reduce the administrative cost. In order to meet the budget requirement, the Goold contract was reduced by the cost of administration and the printing of the Maine Rx cards is now being handled within the Department.

Please do not hesitate to contact Jennifer Palow, Director of Operations, at 287-2705 with any questions you may have regarding the report or requirements.

Sincerely,

Mary C. Mayhew
Commissioner

MCM/klv

cc: Stefanie Nadeau, Director, Office of MaineCare Services
    Jennifer Palow, Director of Operations, Office of MaineCare Services