

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 219

(Chair, Finance Committee)(By Request - Departmental - Health)

Finance

Health and Government Operations

Senior Prescription Drug Assistance Program – Sunset Extension

This departmental bill extends the termination date of the Senior Prescription Drug Assistance Program (SPDAP) by six years through December 31, 2030.

Fiscal Summary

State Effect: SPDAP revenues and expenditures are maintained through the first half of fiscal 2031. The Governor’s proposed fiscal 2025 budget includes \$11.7 million for SPDAP.

Local Effect: None.

Small Business Effect: The Maryland Department of Health has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/Background: Established under Chapters 281 and 282 of 2005 (as the successor to another program under the Maryland Health Insurance Plan), SPDAP provides financial assistance to moderate-income Maryland residents (household income at or below 300% of federal poverty guidelines) who are eligible for Medicare and are enrolled in a Medicare Part D prescription drug plan.

In calendar 2023, SPDAP provided a premium subsidy benefit of up to \$60 per month to 24,950 enrollees. The SPDAP subsidy covered 100% of the total Medicare Part D premium

for 74% of enrollees. In calendar 2024, SPDAP will provide a premium subsidy benefit of up to \$75 per month.

SPDAP is supported by special funds from the CareFirst premium tax exemption under § 14-106 of the Insurance Article. SPDAP is scheduled to terminate December 31, 2024. The bill allows SPDAP to continue providing enrollees with a premium subsidy benefit to assist in offsetting their Medicare Part D prescription drug premium costs.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced in the past three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2024
km/ljm Third Reader - February 13, 2024

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES
Maryland Department of Health
Session 2024

BILL TITLE: Senior Prescription Drug Assistance Program – Sunset Extension

BILL NUMBER: SB0219

PREPARED BY:

(Program\Unit): Office of Innovation, Research and Development – Medical Care
Programs Administration – Office of Health Care Financing

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

SPDAP provides subsidies to help low- and moderate-income Medicare beneficiaries pay their Medicare Part D prescription drug premium costs. The Program does not have any impact on small businesses.