



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene  
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

DEC 16 2011

The Honorable Martin O'Malley  
Governor  
100 State Circle  
Annapolis, MD 21401-1925

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate  
H-107 State House  
Annapolis, MD 21401-1991

The Honorable Michael E. Busch  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401-1991

**RE: Report on the Status of the Maryland Medbank Program – Required by HB 1004  
(Ch. 636 of the Acts of 2007) and Health – General §15-124.2(i)**

Dear Governor O'Malley, President Miller and Speaker Busch:

As required by law, enclosed is a copy of the 2011 Annual Report of The Maryland Medbank Program. It addresses the status of the Maryland Medbank Program.

In May 2010, Medbank of Maryland, Inc. legally became a member organization of Peoples Community Health Centers in Baltimore, Maryland. Medbank of Maryland, Inc. remains a separate 501(c)(3) not-for-profit corporation and administrator of the Maryland Medbank Program as a wholly-owned subsidiary of Peoples. Medbank of Maryland, Inc. works by helping low-income, chronically-ill Marylanders access prescription drugs at no cost from pharmaceutical manufacturers' patient assistance programs.

If you have questions or need more information about any of the topics covered in this report, please contact Ms. Marie Grant, Director of Governmental Affairs at (410) 767-6480.

Sincerely,

Joshua M. Sharfstein, M.D.  
Secretary

Enclosure

cc: Chuck Milligan  
Hank Fitzer  
Christopher Coats  
Marie Grant  
Sarah Albert, MSAR #6163

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# Maryland Medbank Program

## FY 2011

### 1. Background

The Maryland Medbank Program became a statewide program in 2001 through the enactment of the Senior Prescription Drug Relief Act (HB 6/SB 236 – Ch. 135/134 of the Acts of 2001). The intent of the bills was to provide a safety net for chronically ill, low-income, uninsured or underinsured patients in the state of Maryland who could not afford their medications.

Specifically, patients in Maryland would receive assistance with accessing pharmaceutical patient assistance programs (PAPs).

Medbank was funded by the state from FY2002-FY2009. In May 2010 Medbank of Maryland, Inc., legally became a member organization of People's Community Health Centers, Inc., a federally qualified health center network with full-service community health clinics in Baltimore City and Anne Arundel County. Medbank of Maryland remains a separate 501(c)3 not-for-profit corporation and administrator of the Maryland Medbank Program.

#### *New Leadership*

FY2011 has been a year of reorganization and revitalization for the Maryland Medbank Program. In April 2011, founder Robert McEwan retired as CEO of Medbank of Maryland and transitioned to a consulting role. Medbank has gained new board leadership and a new executive director. The Medbank Board of Directors appointed Lelin Chao, M.D., a family physician and nationally-recognized leader in integrated clinical care as Medbank's Board Chair. Suzanne Brockman, R.N., a skilled public health administrator was appointed as Medbank's Executive Director. Reenergized, we are reaching out to our friends and neighbors across the state to ensure that all Marylanders can access the prescription medications that improve and extend life.

## 2. What Medbank Does

*Medbank connects Marylanders to free medications*

More than 26 pharmaceutical companies<sup>1</sup> offer free Pharmaceutical Patient Assistance Programs (PAPs) on over 475 brand-name medications to uninsured and underinsured Americans with incomes between 133-400 percent of the federal poverty level<sup>2</sup>. In all, PhRMA (Pharmaceutical Research and Manufacturers of America) reports that the industry donated \$17.8 billion in free medications nationwide between 2005 and 2009<sup>3</sup>. The industry also reports a 50 percent increase in utilization of PAP programs between 2007-2009 and a 39 percent increase in prescription volume over the same period<sup>4</sup>. Industry experts predict that, despite healthcare reform efforts, PAP programs will remain relevant for years to come.

*Medbank is a clearinghouse for benefits information and applications*

Now more than ever, it is essential that Maryland residents are able to access every resource available to them. That is why Medbank has expanded the scope of our services to meet the needs of our clients. To this end, we have trained our Patient Advocates to be “Benefits Detectives.” Medbank Patient Advocates help clients overcome barriers to healthcare access by assisting them to apply for a variety of government and privately funded benefits programs.

### **The Benefits Detectives**

Medbank employs **Patient Advocates**, dedicated to serving vulnerable Marylanders. Our Patient Advocates identify programs that clients are eligible for, help clients apply, track the progress of the application and ensure that clients receive medications.

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<sup>1</sup> PhRMA. "Partnership for Prescription Assistance." *Directory of PhRMA Member Company Patient Assistance Programs 2011*. 2011. [http://www.pparx.org/sites/default/files/2011PPA\\_Directory.pdf](http://www.pparx.org/sites/default/files/2011PPA_Directory.pdf) (accessed October 10, 2011).

<sup>2</sup> The FPL for one person is \$11,344 annually. The FPL for a family of four is \$22,199, according to the US Census Bureau. "Income, Poverty, and Health Insurance Coverage in the United States: 2010." <http://www.census.gov/prod/2011pubs/p60-239.pdf>

<sup>3</sup> Shelley, Suzanne. *Business and Finance*. Published Feb 28, 2011 Retrieved Oct 17, 2011, from Pharmaceutical Commerce: <http://www.pharmaceuticalcommerce.com/frontEnd/main.php?idSeccion=1611>

<sup>4</sup> Ibid

*Medbank collects data on medication access in Maryland:*

Data collected by Medbank on program utilization by low-income Marylanders will assist policy makers to understand the scope of the unmet need for medication access in Maryland. Medbank program data on Maryland's uninsured will help inform the design of health exchanges and health information exchanges.

In July 2011, the State of Maryland introduced modifications to the Benefits Program accessed by employees and retirees. Medbank could be offered as a benefit to State employees, retirees and dependants making between 133-400 percent of the Federal Poverty Level that are unable to afford the prescription drug coverage and co-pays. Data on utilization could be utilized in the design of benefits programs.

**“Our clients face very tough choices. Last week, a client told us she missed a BGE payment so she could pay for her prescription medication.”**

- Medbank Patient Advocate

*Medbank partners on innovative projects aimed at improving health outcomes:*

Medbank is piloting an innovative new program with a local health system, with the goal of reducing avoidable hospital readmission rates. The federal Centers for Medicare and Medicaid Services (CMS) has implemented a new reimbursement strategy<sup>5</sup>, penalizing hospitals when patients are readmitted with the same diagnosis within a 30-day period.<sup>6</sup> Research has shown that costs of prescription drugs prevent many patients from following prescribed hospital discharge plans, especially plans for medication adherence<sup>7</sup>. Medbank is participating in a program designed to help patients adhere to an enhanced discharge plan.

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<sup>5</sup> Shelley, Suzanne. (2011-02-28). The Changing Face of Today's PAPs. *Pharmaceutical Commerce*. <http://www.pharmaceuticalcommerce.com/frontEnd/main.php?idSeccion=1611>

<sup>6</sup> Inpatient Prospective Payment System. Social Security Act, Section 1886, Subsection q.

<sup>7</sup> Rahimi, Ali R., Spertus, John A., Reid, Kimberly J., Bernheim, Suzanna M., Krumholz, Harlan M. Financial Barriers to Health Care and Outcomes after Acute Myocardial Infarction. *Journal of the American Medical Association*. (2007) 1063-1072

### 3. The Public Health Effect of High Drug Costs on Low-Income Marylanders

Maryland, like the rest of the country, is fighting to improve population health at a time when people are losing medical and prescription insurance coverage.

In a nationally representative study, 18 percent of respondents reported an episode of cost-related non-adherence (CRN) in the past year, and 14 percent of all respondents report CRN at least once a month.

The odds of underuse are highest among those who pay \$100 or more each month in out-of-pocket expenses.

These same people are more likely to have multiple chronic conditions and less generous health benefits.<sup>8</sup>

Patients that experience CRN experience a 51 percent increase in the odds of having a non-fatal heart attack or stroke, both of which lead to related health costs that are far more significant than the cost of medication<sup>9</sup>.

The worsening economy has exacerbated medication access problems, especially for populations like the working poor and the newly unemployed. In 2008, after the downturn began, 66 percent of adult respondents aged 40-64 who were looking for work reported problems affording medications resulting in CRN. But it wasn't solely a function of unemployment; almost half of those who had jobs reported CRN<sup>10</sup>.

#### **What is “cost-related non-adherence” (CRN)?**

Taking a smaller dose of medicine

Skipping a dose to make medicine last

#### **Other drug cost reduction strategies:**

Spending less on basic needs to buy medication

Purchase drugs on Internet or outside of US

Using samples provided by doctor

<sup>8</sup>Piette, J., Heisler, M., Wagner, T.H. Cost-Related Medication Underuse Among Chronically Ill Adults: the Treatments People Forgo, How Often, and Who Is at Risk. *American Journal of Public Health*, (2004) 1782-1787.

<sup>9</sup> Heisler, M., Langa, K.M., Eby, E.L., Fendrick, M.A., Kabeto, M.U., Piette, J.D. The Health Effects of Restricting Prescription Medication Use Because of Cost. *Medical Care*. (2004) 626-634.

<sup>10</sup> Piette, J., Rosland, A.M., Silveira, J., Hayward, R., McHorney, C.A. Medication problems among chronically ill adults in the US: did the financial crisis make a bad situation even worse? *Patient Preference and Adherence* (2011) 187-194.

Maryland’s unemployment rate is twice what it was in 2007 and 13 percent of residents live without health insurance. Of Marylanders who do have insurance, estimates suggest that 22 percent are underinsured, and out-of-pocket medical expenses for necessities like medication pose a significant financial burden.<sup>11</sup>

#### **4. Programmatic Impact FY2011**

##### *Geographical Impact of the Medbank Program*

The Maryland Medbank program operates in all geographic regions of the state either through local enrollment agreements or through toll-free access to Patient Advocates located at our corporate offices in Baltimore City. We currently have government and private partners in nine counties (Garrett, Washington, Allegany, Frederick, Talbot, Dorchester, Caroline, Queen Anne’s and Montgomery). Medbank of Maryland, Inc. will serve any patient living in an area without a Maryland Medbank partner organization. Medbank is actively outreaching to local governments throughout the State to expand its affiliations with local partners in order to more effectively reach people in each county and region in Maryland.

##### *Number of Clients Served and Demographic Characteristics*

In FY2011, the Maryland Medbank Program served 3,191 patients in 22 counties and Baltimore City. Table 1 shows the distribution of Medbank clients served throughout the state.

*Table 1. Number of Patients served by the Maryland Medbank Program in FY2011*

<b>Jurisdiction</b>	<b>Patients Served</b>
Allegany County	2
Anne Arundel County	27
Baltimore City	174
Baltimore County	158
Calvert County	2
Caroline County	142
Carroll County	4

<sup>11</sup> Schoen, C., Doty, M.M., Robertson, R.H., Collins, S.R. Affordable Care Act Reforms Could Reduce The Number of Underinsured US Adults by 70 Percent. *Health Affairs*, (2011) 1762-1771.

<b>Jurisdiction</b>	<b>Patients Served</b>
Charles County	448
Dorchester County	105
Frederick County	399
Garrett County	63
Harford County	25
Howard County	41
Kent County	3
Montgomery County	1253
Prince George's County	26
Queen Anne's County	15
Saint Mary's County	1
Sussex County	1
Talbot County	61
Washington County	235
Wicomico County	4
Worcester County	2
<b>Total</b>	<b>3,191</b>

**CHANGE OVER TIME:  
uninsured Medbank clients**

**25% in 2005**

**58% in 2008**

**63% in 2011**

Demographic data on clients served in FY2011 can be found in Table 2. There are some interesting trends to note, particularly in health insurance status. Looking back several years, data show that the percentage of Medbank clients that have no medical insurance coverage has significantly increased over the years.

*Table 2. Medbank of Maryland client characteristics*

<b>Demographic Point</b>	<b>State-wide Average</b>
Race	
African American	22.9%
Caucasian	54.4
Hispanic	5.7
Other/Unidentified	14.2

<b>Demographic Point</b>	<b>State-wide Average</b>
Gender	
Male	47.6%
Female	52.4
Monthly Income	\$1,800
Insurance Status	
Uninsured	67.7%
Medicare, not Part D	11.8
Basic Health Benefits, no Rx coverage	20.5
Average prescriptions per patient	4.4

*(Please note: Numbers may not add up to 100 due to rounding)*

In FY2011 top ten reported diagnosis were: hypertension, diabetes, high cholesterol, depression, gastro esophageal reflux disease, asthma, arthritis, allergies, anxiety disorder and bipolar disorder. There are some changes to note from FY2010: Anxiety disorder and bipolar disorder have replaced pain and hypothyroidism on the top ten diagnoses of clients receiving assistance from Medbank.

#### *Type and Value of Prescription Drugs*

Medbank patient advocates processed 14,658 prescriptions in FY2011, worth a total of \$6,224,512.64 (average wholesale price) of free drugs in the State of Maryland.

In FY2011, the ten most requested medications were: Lipitor, Plavix, Advair Diskus, Lantus (vial), Nexium, Norvasc, Singulair, Neurontin, Toprol XL, and Crestor.

The ten most-utilized pharmaceutical company patient assistance programs are: Pfizer Connection to Care, GlaxoSmithKline Bridges to Access, AZ&ME Prescription Savings Program (AstraZeneca Pharmaceuticals), Merck patient assistance program, Sanofi-Aventis patient assistance program, Bristol-Myers Squibb Patient Assistance Foundation, Janssen Ortho patient assistance program, Schering Laboratories SP-Cares Program, and Boeringer Ingelheim Cares Foundation.

## 5. Looking Forward to FY2012

- a) Use our licensed technology product, RxBridge™, to contribute to a sustainable funding stream for the Maryland Medbank Program.
- b) Identify additional funding sources to cover the operational costs of the Maryland Medbank Program and supplement the interim funding supplied by People's Community Health Centers, Inc.
- c) Partner with city, county and state government agencies as well as private non-profit organizations to enroll low-income employees that are unable to afford insurance.
- d) Submit a proposal to the Office of Personnel Management to review data on prescription drug benefit enrollment, absenteeism, and associated clinical outcomes.
- e) Grow the Medbank Pharmacy "Bridge" program in order to quickly get key medications to clients while pharmaceutical assistance applications are being processed.
- f) Participate in the design of health exchanges and on projects aiming to increase access to prescription medications.

**For more Medbank  
of Maryland information,  
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