

savings attributable to those efforts during fiscal 2003.

The Department of Health and Mental Hygiene (DHMH) shall not implement any other pharmacy cost containment measures until DHMH has worked with representatives of the pharmaceutical and pharmacy industries, prescribers, and patient advocates to identify cost containment measures which will produce savings of at least \$10,100,000 in fiscal 2003; and

By July 1, 2002, if additional cost savings obtained as a result of alternative cost containment measures are not sufficient to ensure that on an annualized basis the pharmacy cost containment assumed in the fiscal 2003 budget will be achieved, DHMH shall implement cost containment measures with respect to pharmacy reimbursement in a manner that achieves the pharmacy cost containment assumed in the fiscal 2003 budget.

Further provided that \$25,000,000 of this appropriation for a physician rate increase may only be expended to increase fee-for-service physician rates and for payments to Managed Care Organizations (MCOs). MCOs receiving these funds shall expend the funds to pay network physicians at least 100 percent of the new fee schedule used in fee-for-service Medicaid for evaluation and management services. An MCO wishing to spend the new resources to increase other physician fees instead of paying 100 percent of the new Medicaid fee-for-service fee schedule may request a waiver from DHMH. DHMH may approve a waiver request if an MCO demonstrates that at least