

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 154

(Chair, Health and Government Operations
Committee)(By Request - Departmental - Maryland
Insurance Administration)

Health and Government Operations

Finance

Insurance - Pharmacy Benefits Managers - Registration Expiration Date

This departmental bill alters that date on which a pharmacy benefits manager (PBM) registration expires. The date is changed from the anniversary date that occurs on the date two years following the date the Insurance Commissioner issued the registration to the second September 30 after the effective date of the registration.

Fiscal Summary

State Effect: Changing the expiration date of PBM registrations is procedural in nature and does not substantively affect revenues or expenditures for the Maryland Insurance Administration (MIA).

Local Effect: None.

Small Business Effect: MIA 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: PBMs are businesses that administer and manage prescription drug benefit plans for purchasers. PBMs must register with MIA prior to providing pharmacy benefits management services. An applicant for registration as a PBM must submit an application and pay a registration fee, and the Insurance Commissioner must register each applicant that meets specified requirements. The registration is effective for two years and may be

renewed for an additional two years under specified circumstances. The Insurance Commissioner is authorized to examine the affairs, transactions, accounts, and records of a registered PBM at the PBM's expense.

Background: MIA advises that there are 41 registered PBMs in Maryland. The current renewal fee for a PBM certificate is \$150. The renewal process can be completed online or by mail. Standardizing registration expiration dates is intended to allow MIA staff to better manage expiration cycles and ensure that all PBMs are provided with adequate notice to renew.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 7, 2017
mm/ljm Third Reader - March 15, 2017

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Insurance – Pharmacy Benefit Managers – Renewal Registration

BILL NUMBER: HB 154

PREPARED BY:
(Dept./Agency) Maryland Insurance Administration

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

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