

HOUSE BILL 1007

J5
HB 602/21 – HGO

EMERGENCY BILL

2lr1850

By: **Delegate Kipke**

Introduced and read first time: February 10, 2022

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program and Managed Care Organizations That**
3 **Use Pharmacy Benefits Managers – Reimbursement Requirements**

4 FOR the purpose of altering the reimbursement levels for drug products that the Maryland
5 Medical Assistance Program is required to establish and that pharmacy benefits
6 managers that contract with a pharmacy on behalf of a managed care organization
7 are required to reimburse the pharmacy; and generally relating to the Maryland
8 Medical Assistance Program and managed care organizations that use pharmacy
9 benefits managers.

10 BY repealing and reenacting, with amendments,
11 Article – Health – General
12 Section 15–118(b)
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2021 Supplement)

15 BY adding to
16 Article – Health – General
17 Section 15–118(f)
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2021 Supplement)

20 BY adding to
21 Article – Insurance
22 Section 15–1632
23 Annotated Code of Maryland
24 (2017 Replacement Volume and 2021 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
26 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Health – General

15–118.

(b) (1) [Except] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND EXCEPT** as provided under paragraph [(2)] (3) of this subsection, the Program shall establish [maximum] reimbursement levels for the drug products for which there is a generic equivalent authorized under § 12–504 of the Health Occupations Article[, based on the cost of the generic product].

(2) MINIMUM REIMBURSEMENT LEVELS ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST OF THE GENERIC PRODUCT PLUS THE FEE-FOR-SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE MOST RECENT IN-STATE COST-OF-DISPENSING SURVEY.

[(2)] (3) If a prescriber directs a specific brand name drug, the reimbursement level shall be based on the [cost] **NATIONAL AVERAGE DRUG ACQUISITION COST** of the brand name product **PLUS THE FEE-FOR-SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE MOST RECENT IN-STATE COST-OF-DISPENSING SURVEY.**

(F) THE PROVISIONS OF § 15–1632 OF THE INSURANCE ARTICLE APPLY TO A MANAGED CARE ORGANIZATION THAT USES A PHARMACY BENEFITS MANAGER TO MANAGE PRESCRIPTION DRUG COVERAGE BENEFITS ON BEHALF OF THE MANAGED CARE ORGANIZATION.

Article – Insurance

15–1632.

A PHARMACY BENEFITS MANAGER THAT CONTRACTS WITH A PHARMACY ON BEHALF OF A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15–101 OF THE HEALTH – GENERAL ARTICLE, SHALL REIMBURSE THE PHARMACY AN AMOUNT THAT IS AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST PLUS THE FEE-FOR-SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE MARYLAND DEPARTMENT OF HEALTH FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM IN ACCORDANCE WITH THE MOST RECENT IN-STATE COST-OF-DISPENSING SURVEY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to

1 each of the two Houses of the General Assembly, and shall take effect from the date it is
2 enacted.