

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1151

(Delegate Bhandari, *et al.*)

Health and Government Operations

Finance

Health Insurance - Reimbursement for Services Rendered by a Pharmacist

This bill requires Medicaid and the Maryland Children’s Health Program (MCHP), as well as specified insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) to provide coverage for services rendered by a licensed pharmacist acting within the pharmacist’s scope of practice to the same extent as services rendered by any other licensed health care provider. For carriers, this requirement applies to policies and contracts that provide coverage for services within the scope of practice of a licensed pharmacist. Pharmacist reimbursement may not be conditioned on whether the licensed pharmacist is (1) employed by a physician, pharmacy, or facility or (2) acting under a physician’s orders. To implement these requirements for Medicaid and MCHP, the Maryland Department of Health (MDH) must apply for and obtain any necessary Medicaid waivers or amendments by January 1, 2024. The bill applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2024.

Fiscal Summary

State Effect: To the extent the bill results in increased billing for services already covered by Medicaid and MCHP, expenditures (51% federal funds, 49% general funds) increase by an indeterminate amount beginning in FY 2024. Federal fund revenues increase accordingly. No material impact on the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: To the extent that reimbursement parity for pharmacists increases health insurance costs, expenditures for local governments that purchase fully insured plans may increase. Revenues are not affected.

Small Business Effect: Meaningful.

Analysis

Current Law:

Pharmacists

An individual must be licensed by the State Board of Pharmacy to practice pharmacy in the State. The practice of pharmacy includes compounding, dispensing, or distributing prescription drugs or devices; monitoring prescriptions; providing information, explanation, and recommendations to patients and health care practitioners about the safe and effective use of prescription drugs or devices; providing drug therapy management; administering vaccinations; prescribing and dispensing certain contraceptive medications and devices; and administering a self-administered drug to a patient.

Pharmacist Reimbursement Workgroup

Chapter 371 and 372 of 2022 required the Insurance Commissioner to establish a workgroup with specified stakeholders to identify options and requirements necessary for the reimbursement of pharmacists who provide medical services within their scope of practice and work setting. The [report](#), submitted December 19, 2022, noted that, with respect to carriers, pharmacists are entitled to reimbursement for covered services within their scope of practice; however, claims are generally currently submitted by a supervising physician, facility, or pharmacy. The report recommended that language be added to Title 15, Subtitle 7 of the Insurance Article that states that, if a policy provides for reimbursement of a service within the lawful scope of practice of a pharmacist, the insured or any other person covered by the policy is entitled to reimbursement, and that it may not be a condition for payment that the pharmacist be employed by a physician, pharmacy, or facility, or under a physician's orders.

Medicaid and Maryland Children's Health Program Coverage for Pharmacist Services

Medicaid and MCHP must provide coverage for services, to the same extent as services rendered by any other licensed health care practitioner, rendered to an enrollee by a licensed pharmacist under (1) § 12-509 of the Health Occupations Article in administering self-administered medications, maintenance injectable medications, or injectable medications for treatment of sexually transmitted infections (STIs) or (2) § 12-511 of the Health Occupations Article in screening an enrollee and prescribing contraceptives for the enrollee. Currently, Medicaid does not require managed care organizations to cover services by pharmacists beyond the services associated with dispensing prescription medications and specific services mandated by statute.

Carrier Coverage of Pharmacy Services

Individual, group, or blanket health insurance policies and contracts delivered or issued for delivery in the State by carriers that provide coverage for patient assessment regarding, and administration of, self-administered medications, maintenance injectable medications, and injectable medications for treatment of STIs must provide specified coverage for services rendered by a licensed pharmacist. Specifically, carriers must provide coverage for services rendered under § 12-509 of the Health Occupations Article to an individual who is covered under a policy or contract issued or delivered by the carrier. Coverage must be provided to the same extent as services rendered by any other licensed health care practitioner for patient assessment regarding and in administering self-administered medications, maintenance injectable medications, or injectable medications for treatment of STIs.

State Fiscal Effect: MDH advises that it interprets the bill to require Medicaid/MCHP to reimburse a pharmacist for *existing covered services* that may be part of a pharmacist's scope of practice, regardless of whether the pharmacist is employed by a physician, pharmacy, or facility or is acting under a physician's orders. To the extent that the bill results in increased billing for services already covered by Medicaid and MCHP, expenditures (51% federal funds, 49% general funds) increase by an indeterminate amount beginning in fiscal 2024. Federal fund revenues increase accordingly.

Small Business Effect: Small business pharmacies must be reimbursed for services within their scope of practice on the same basis as other health care practitioners.

Additional Information

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

Designated Cross File: SB 678 (Senator Beidle) - Finance.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2023
rh/ljm Third Reader - March 22, 2023
Revised - Amendment(s) - March 22, 2023

Analysis by: Jennifer B. Chasse

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