

SENATE BILL 526

J5, J4

4lr2824
CF 4lr2826

By: **Senator Lam**

Introduced and read first time: January 24, 2024

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Pharmacy Benefits Managers – Specialty Drugs Dispensed**
3 **by a Physician**

4 FOR the purpose of prohibiting certain pharmacy benefits managers from requiring a
5 beneficiary to use a specific pharmacy or entity for a specialty drug if the drug is
6 dispensed by a physician, is used in the treatment of a certain condition, and meets
7 other requirements; altering the application to specialty drugs of the prohibition on
8 certain pharmacy benefits managers reimbursing a pharmacy or pharmacist in an
9 amount less than the amount the pharmacy benefits manager reimburses itself or
10 an affiliate for providing the same product or service; and generally relating to
11 pharmacy benefits managers and specialty drugs.

12 BY repealing and reenacting, with amendments,
13 Article – Insurance
14 Section 15–1611.1 and 15–1612
15 Annotated Code of Maryland
16 (2017 Replacement Volume and 2023 Supplement)

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

19 **Article – Insurance**

20 15–1611.1.

21 (a) This section applies only to a pharmacy benefits manager that provides
22 pharmacy benefits management services on behalf of a carrier.

23 (b) Except as provided in subsection (c) of this section, a pharmacy benefits
24 manager may not require that a beneficiary use a specific pharmacy or entity to fill a
25 prescription if:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) the pharmacy benefits manager or a corporate affiliate of the pharmacy
2 benefits manager has an ownership interest in the pharmacy or entity; or

3 (2) the pharmacy or entity has an ownership interest in the pharmacy
4 benefits manager or a corporate affiliate of the pharmacy benefits manager.

5 (c) **[A] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**
6 **pharmacy benefits manager may require a beneficiary to use a specific pharmacy or entity**
7 **for a specialty drug as defined in § 15–847 of this title.**

8 **(D) A PHARMACY BENEFITS MANAGER MAY NOT REQUIRE A BENEFICIARY**
9 **TO USE A SPECIFIC PHARMACY OR ENTITY FOR A SPECIALTY DRUG AS DEFINED IN §**
10 **15–847 OF THIS TITLE IF THE DRUG:**

11 **(1) IS DISPENSED BY A PHYSICIAN UNDER § 12–102 OF THE HEALTH**
12 **OCCUPATIONS ARTICLE;**

13 **(2) IS USED IN THE TREATMENT OF A CHRONIC, COMPLEX, RARE, OR**
14 **LIFE–THREATENING MEDICAL CONDITION; AND**

15 **(3) (I) IS INJECTED OR INFUSED; OR**

16 **(II) IS AN ORAL DRUG THAT:**

17 **1. IS AN IMMUNOMODULATOR OR ANTICANCER DRUG;**

18 **2. HAS A DOSAGE DEPENDENT ON THE PATIENT’S**
19 **CLINICAL PRESENTATION AT THE TIME IT IS DISPENSED; OR**

20 **3. IS PRESCRIBED CONCOMITANTLY WITH AN**
21 **OUTPATIENT TREATMENT.**

22 15–1612.

23 (a) This section applies only to a pharmacy benefits manager that provides
24 pharmacy benefits management services on behalf of a carrier.

25 (b) **(1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
26 **SUBSECTION, THIS section does not apply to reimbursement:**

27 **[(1)] (I) for specialty drugs;**

28 **[(2)] (II) for mail order drugs; or**

1 ~~[(3)]~~ **(III)** to a chain pharmacy with more than 15 stores or a pharmacist
2 who is an employee of the chain pharmacy.

3 **(2) THIS SECTION APPLIES TO REIMBURSEMENT OF A SPECIALTY**
4 **DRUG, INCLUDING A SPECIALTY DRUG DISPENSED BY MAIL ORDER, THAT MEETS THE**
5 **CRITERIA SPECIFIED UNDER § 15–1611.1(D) OF THIS SUBTITLE.**

6 (c) A pharmacy benefits manager may not reimburse a pharmacy or pharmacist
7 for a pharmaceutical product or pharmacist service in an amount less than the amount that
8 the pharmacy benefits manager reimburses itself or an affiliate for providing the same
9 product or service.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2024.