

HB0978/566988/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 978

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Delegate Kelly” and substitute “Delegates Kelly, Bagnall, Barron, Belcastro, Bhandari, Carr, Charles, Chisholm, Cullison, Hill, Johnson, Kerr, Kipke, Krebs, R. Lewis, Morgan, Pena–Melnik, Pendergrass, Reilly, Rosenberg, Saab, Sample–Hughes, Szeliga, and K. Young”; in line 12, after “period;” insert “providing that a certain contract or amendment to a contract is considered to be confidential and proprietary and not subject to disclosure under certain provisions of law;”; in line 19, after “circumstances;” insert “providing that a certain notice from the Commissioner constitutes a certain waiver;”; and in line 22, after “time;” insert “authorizing a pharmacy services administrative contract to prohibit an independent pharmacy from disclosing certain documents to certain competitors;”.

On pages 1 and 2, strike beginning with “requiring” in line 29 on page 1 through “purposes;” in line 1 on page 2.

On page 2, strike beginning with “requiring” in line 4 down through “public;” in line 7; in line 20, after “authority;” insert “establishing that a certain contract in effect on a certain date may remain in effect under certain circumstances; prohibiting a pharmacy services administrative organization operating in the State before a certain date from being required to register with the Commissioner before a certain date; requiring a pharmacy services administrative organization operating in the State before a certain date to comply with certain provisions of this Act;”; and in line 25, strike “15–2021” and substitute “15–2019”.

AMENDMENT NO. 2

(Over)

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On page 3, in line 7, strike “**THIRD-PARTY PAYERS**” and substitute “**PURCHASERS**”; strike beginning with “**OPERATING**” in line 10 down through “**PHARMACIES**” in line 17 and substitute “**THAT PROVIDES A CONTRACTED PHARMACY WITH CONTRACTING ADMINISTRATIVE SERVICES RELATING TO PRESCRIPTION DRUG BENEFITS**”; and after line 17, insert:

“(2) “PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION” DOES NOT INCLUDE A NONPROFIT HEALTH MAINTENANCE ORGANIZATION THAT:

(I) OPERATES AS A GROUP MODEL;

(II) PROVIDES SERVICES SOLELY TO A MEMBER OR PATIENT OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION; AND

(III) FURNISHES SERVICES THROUGH THE INTERNAL PHARMACY OPERATIONS OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION.”

On pages 3 and 4, strike in their entirety the lines beginning with line 18 on page 3 through line 13 on page 4, and substitute:

“(F) (1) “PURCHASER” MEANS THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM, AN INSURER, A NONPROFIT HEALTH SERVICES PLAN, OR A HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES PRESCRIPTION DRUG COVERAGE OR BENEFITS IN THE STATE.

(2) “PURCHASER” DOES NOT INCLUDE A PERSON THAT PROVIDES PRESCRIPTION DRUG COVERAGE OR BENEFITS THROUGH PLANS SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 AND DOES NOT PROVIDE PRESCRIPTION DRUG COVERAGE OR BENEFITS THROUGH INSURANCE.

UNLESS THE PERSON IS A MULTIPLE EMPLOYER WELFARE ARRANGEMENT AS DEFINED IN § 514(B)(6)(A)(II) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.”.

On page 5, in line 26, strike “OR DISHONEST”.

On page 7, in lines 8 and 13, in each instance, strike “30” and substitute “60”; in line 10, after “OR” insert “, IF REQUIRED,”; after line 13, insert:

“(B) NOTICE FROM THE COMMISSIONER THAT A FILED CONTRACT OR AMENDMENT TO A CONTRACT MAY BE USED IN THE STATE CONSTITUTES A WAIVER OF ANY UNEXPIRED PART OF THE FILING PERIOD.”;

in line 14, strike “(B)” and substitute “(C)”; in the same line, after “TO” insert “:

(1)”;

in line 16, after “CONTRACT” insert “; AND

(2) SPECIFY THE TYPES OF AMENDMENTS TO A CONTRACT REQUIRED TO BE FILED UNDER SUBSECTION (A) OF THIS SECTION”;

in line 18, before “A” insert “(A)”; and after line 24, insert:

“(B) A PHARMACY SERVICES ADMINISTRATIVE CONTRACT MAY PROHIBIT AN INDEPENDENT PHARMACY FROM DISCLOSING THE DOCUMENTS PROVIDED TO THE INDEPENDENT PHARMACY UNDER SUBSECTION (A) OF THIS SECTION TO ANY COMPETITOR OF THE PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION.”.

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On page 8, in lines 26 and 28, in each instance, strike “**THIRD-PARTY PAYER**” and substitute “**PURCHASER**”.

On page 9, in lines 5 and 7, in each instance, strike “**THIRD-PARTY PAYER**” and substitute “**PURCHASER**”; strike in their entirety lines 11 through 20, inclusive; in line 21, strike “**15-2016.**” and substitute “**15-2015.**”; in lines 24 and 31, in each instance, strike “**THIRD-PARTY PAYER**” and substitute “**PURCHASER**”; and strike line 32 in its entirety.

On page 10, strike in their entirety lines 1 through 16, inclusive; in lines 17, 30, and 33, strike “**15-2018.**”, “**15-2019.**”, and “**15-2020.**”, respectively, and substitute “**15-2016.**”, “**15-2017.**”, and “**15-2018.**”, respectively; in line 31, before “**ALL**” insert “**(A)**”; and after line 32, insert:

“(B) A CONTRACT OR AMENDMENT TO A CONTRACT SUBMITTED TO THE COMMISSIONER AS REQUIRED BY THIS SUBTITLE:

(1) IS CONSIDERED TO BE CONFIDENTIAL AND PROPRIETARY INFORMATION; AND

(2) IS NOT SUBJECT TO DISCLOSURE UNDER THE PUBLIC INFORMATION ACT.”.

On page 11, in line 4, strike “**15-2021.**” and substitute “**15-2019.**”; in lines 7 and 8, in each instance, strike “**COMPLAINT**” and substitute “**DISPUTE**”; in lines 9 and 10, strike “**OR A PHARMACY BENEFITS MANAGER**”; in line 14, strike the second “**OR**”; and in line 15, after “**FAITH**” insert “**; OR**”

(5) ENGAGE IN ANY ACTIVITY THAT IS A PROHIBITED ACTIVITY FOR A PHARMACY BENEFITS MANAGER UNDER SUBTITLE 16 OF THIS TITLE OR A REGULATION ADOPTED UNDER SUBTITLE 16 OF THIS TITLE”.

On page 12, after line 28, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That a pharmacy services administrative organization contract that is in effect on the effective date of this Act may remain in effect if the contract is:

(1) filed with the Maryland Insurance Commissioner on or before July 1, 2021; and

(2) administered in accordance with all applicable provisions of Title 15, Subtitle 20 of the Insurance Article, as enacted by Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That a pharmacy services administrative organization operating in the State before July 1, 2021, may not be required to register with the Maryland Insurance Commissioner before July 1, 2021, and shall comply with §§ 15–2006 through 15–2019 of the Insurance Article, as enacted by Section 1 of this Act.”;

and in line 29, strike “2.” and substitute “4.”.