

## Article - Insurance

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§15–1628.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Contracted pharmacy” means a pharmacy that participates in the network of a pharmacy benefits manager through a contract with:

(i) the pharmacy benefits manager; or

(ii) a pharmacy services administration organization or a group purchasing organization.

(3) “Maximum allowable cost” means the maximum amount that a pharmacy benefits manager or a purchaser will reimburse a contracted pharmacy for the cost of a multisource generic drug, a medical product, or a device.

(4) “Maximum allowable cost list” means a list of multisource generic drugs, medical products, and devices for which a maximum allowable cost has been established by a pharmacy benefits manager or a purchaser.

(b) In each contract between a pharmacy benefits manager and a contracted pharmacy, the pharmacy benefits manager shall include the sources used to determine maximum allowable cost pricing.

(c) A pharmacy benefits manager shall update its pricing information at least every 7 days and provide a means by which contracted pharmacies may promptly review pricing updates in a format that is readily available and accessible.

(d) A pharmacy benefits manager shall maintain a procedure to eliminate products from the list of drugs subject to maximum allowable cost pricing in a timely manner to remain consistent with pricing changes in the marketplace.

(e) Before placing a prescription drug on a maximum allowable cost list, a pharmacy benefits manager shall ensure that:

(1) the drug is listed as “A” or “B” rated in the most recent version of the U.S. Food and Drug Administration’s approved drug products with therapeutic equivalence evaluations, also known as the Orange Book, or has an “NR” or “NA” rating or similar rating by a nationally recognized reference; and

(2) the drug is generally available for purchase by contracted pharmacies in the State from a national or regional wholesale distributor and is not obsolete.

(f) Each contract between a pharmacy benefits manager and a contracted pharmacy must include a process to appeal, investigate, and resolve disputes regarding

maximum allowable cost pricing that includes:

(1) a requirement that an appeal be filed no later than 21 days after the date of the initial claim;

(2) a requirement that an appeal be investigated and resolved within 21 days after the date the appeal is filed;

(3) a telephone number at which the contracted pharmacy may contact the pharmacy benefits manager to speak to an individual responsible for processing appeals;

(4) a requirement that a pharmacy benefits manager provide:

(i) a reason for any appeal denial; and

(ii) the national drug code of a drug that may be purchased by the contracted pharmacy at a price at or below the benchmark price determined by the pharmacy benefits manager; and

(5) if an appeal is upheld, a requirement that a pharmacy benefits manager:

(i) make the change in the maximum allowable cost no later than 1 business day after the date of determination on the appeal; and

(ii) permit the appealing contracting pharmacy to reverse and rebill the claim, and any subsequent similar claims.

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