

# HOUSE BILL 450

P4, C3

7lr0718  
CF 7lr3170

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By: **Delegates Bromwell, Angel, Barron, Cullison, Hayes, Hill, Kelly, Kipke, Krebs, Metzgar, Miele, Morales, Morgan, Oaks, Pendergrass, Reznik, Rosenberg, Saab, West, and K. Young**

Introduced and read first time: January 26, 2017

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program –**  
3 **Prescription Drugs and Devices – Copayment or Coinsurance Requirements**

4 FOR the purpose of requiring the Secretary of Budget and Management to ensure that the  
5 State Employee and Retiree Health and Welfare Benefits Program complies with a  
6 provision of the Insurance Article that prohibits a copayment or coinsurance  
7 requirement for a covered prescription drug or device that exceeds the retail price of  
8 the prescription drug or device; and generally relating to the State Employee and  
9 Retiree Health and Welfare Benefits Program and copayment or coinsurance  
10 requirements for prescription drugs and devices.

11 BY repealing and reenacting, without amendments,  
12 Article – Insurance  
13 Section 15–842  
14 Annotated Code of Maryland  
15 (2011 Replacement Volume and 2016 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – State Personnel and Pensions  
18 Section 2–501(a) and (b)  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume and 2016 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – State Personnel and Pensions  
23 Section 2–503(a)  
24 Annotated Code of Maryland  
25 (2015 Replacement Volume and 2016 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Insurance**

4 15–842.

5 (a) (1) This section applies to:

6 (i) insurers and nonprofit health service plans that provide coverage  
7 for prescription drugs and devices under health insurance policies or contracts that are  
8 issued or delivered in the State; and

9 (ii) health maintenance organizations that provide coverage for  
10 prescription drugs and devices under contracts that are issued or delivered in the State.

11 (2) An insurer, nonprofit health service plan, or health maintenance  
12 organization that provides coverage for prescription drugs and devices through a pharmacy  
13 benefit manager is subject to the requirements of this section.

14 (b) An entity subject to this section may not impose a copayment or coinsurance  
15 requirement for a covered prescription drug or device that exceeds the retail price of the  
16 prescription drug or device.

17 **Article – State Personnel and Pensions**

18 2–501.

19 (a) In this subtitle the following terms have the meanings indicated.

20 (b) “Program” means the State Employee and Retiree Health and Welfare  
21 Benefits Program.

22 2–503.

23 (a) The Secretary shall:

24 (1) adopt regulations for the administration of the Program;

25 (2) ensure that the Program complies with:

26 (I) all federal and State laws governing employee benefit plans; **AND**

27 (II) **§ 15–842 OF THE INSURANCE ARTICLE**; and

28 (3) each year, recommend to the Governor the State share of the costs of  
29 the Program.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2017.