

SENATE BILL 568

P4, C3

7lr3170
CF HB 450

By: **Senator Hershey**

Introduced and read first time: February 2, 2017

Assigned to: Finance

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)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Insurance

15–842.

(a) (1) This section applies to:

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

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

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

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

Article – State Personnel and Pensions

2–501.

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

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

2–503.

(a) The Secretary shall:

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

(2) ensure that the Program complies with:

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

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

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

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