

HB0768/493826/1

BY: Delegate Adams

AMENDMENTS TO HOUSE BILL 768, AS AMENDED
(First Reading File Bill)

AMENDMENT NO. 1

Strike the Health and Government Operations Committee Amendments (HB0768/886582/1) in their entirety.

On page 1 of the bill, strike line 2 in its entirety and substitute “State Finance and Procurement – Maryland Rx Program – Pharmacy Benefits Manager”.

On pages 1 and 2 of the bill, strike beginning with “establishing” in line 3 on page 1 down through “Board” in line 45 on page 2 and substitute “requiring, rather than authorizing, the Department of Budget and Management to contract with a pharmacy benefits manager to administer the Maryland Rx Program; requiring the Department to procure a contract for a pharmacy benefits manager through an expedited process; requiring the Department to procure in a certain manner services for certain technical assistance, a certain review of pharmacy benefits manager claims, and a pharmacy benefits manager; requiring that the technical assistance services use certain code-based classifications if practicable; authorizing the Department to waive or modify certain laws or regulations; defining certain terms; making conforming changes; and generally relating to the contracting of a pharmacy benefits manager for the Maryland Rx Program”.

On pages 2 through 4 of the bill, strike in their entirety the lines beginning with line 46 on page 2 through line 11 on page 4, inclusive, and substitute:

“BY repealing and reenacting, with amendments,
Article - State Personnel and Pensions
Section 2-502.1
Annotated Code of Maryland”

(Over)

(2015 Replacement Volume and 2018 Supplement)

BY adding to

Article - State Personnel and Pensions

Section 2-502.2

Annotated Code of Maryland

(2015 Replacement Volume and 2018 Supplement)".

AMENDMENT NO. 2

On pages 4 through 23 of the bill, strike in their entirety the lines beginning with line 14 on page 4 through line 2 on page 23, inclusive, and substitute:

"Article – State Personnel and Pensions

2-502.1.

(a) In this section, "Maryland Rx Program" means a purchasing pool for pharmacy benefits that meets the requirements of this section.

(b) The Department shall establish a Maryland Rx Program to achieve savings on the cost of prescription drugs for:

(1) the State Employee and Retiree Health and Welfare Benefits Program; and

(2) any local government or other entity identified under this subtitle that satisfies the conditions for participation established by the Department.

(c) The Maryland Rx Program shall seek savings through:

(1) a preferred list of covered prescription drugs;

(2) rebates from drug manufacturers;

(3) negotiated discounts; and

(4) other cost-saving measures.

(d) (1) Each entity that participates in the Maryland Rx Program shall be responsible for the cost of drugs purchased by or on behalf of the entity.

(2) The cost of drugs purchased by or on behalf of the State Employee and Retiree Health and Welfare Benefits Program shall be paid in accordance with the State budget and the provisions of this subtitle.

(e) The State may:

(1) provide start-up funds for the Maryland Rx Program; and

(2) recoup any start-up funds from savings achieved for participating entities through the Maryland Rx Program.

(f) The Department [may]:

(1) MAY charge an administrative fee to an entity sufficient to offset the administrative costs resulting from the entity's participation in the Maryland Rx Program; and

(2) SHALL contract with a pharmacy benefit manager [or other entity] to administer the Maryland Rx Program.

(g) [If the Department contracts with a pharmacy benefit manager or other entity to administer the Maryland Rx Program, the Department shall consider contracting with a nonprofit entity.

(Over)

(h)] The Department shall adopt regulations to implement this section.

2-502.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “PHARMACY BENEFITS MANAGER” MEANS A PHARMACY BENEFITS MANAGER USED TO PROVIDE BENEFITS UNDER THE MARYLAND RX PROGRAM.

(3) “REVERSE AUCTION” MEANS AN AUTOMATED BIDDING PROCESS CONDUCTED ONLINE THAT STARTS WITH AN OPENING PRICE AND ALLOWS QUALIFIED BIDDERS TO COUNTER OFFER A LOWER PRICE FOR MULTIPLE ROUNDS OF BIDDING.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT SHALL PROCURE A CONTRACT FOR A PHARMACY BENEFITS MANAGER THROUGH AN EXPEDITED PROCESS IN THE MANNER PROVIDED IN THIS SECTION.

(C) (1) WITHOUT THE NEED FOR FORMAL ADVERTISEMENT THE DEPARTMENT SHALL PROCURE, THROUGH THE SOLICITATION OF PROPOSALS FROM RESPONSIBLE OFFERORS, THE FOLLOWING SERVICES:

(I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE TECHNICAL ASSISTANCE TO THE STATE TO EVALUATE THE QUALIFICATIONS OF BIDDERS ON A PHARMACY BENEFITS MANAGER PROCUREMENT AND TO PROVIDE ONLINE AUTOMATED REVERSE AUCTION SERVICES TO SUPPORT THE

DEPARTMENT IN COMPARING THE PRICING FOR THE PROCUREMENT OF A PHARMACY BENEFITS MANAGER;

(II) REAL-TIME, ELECTRONIC, LINE-BY-LINE, CLAIM-BY-CLAIM REVIEW OF INVOICED PHARMACY BENEFITS MANAGER CLAIMS USING AN AUTOMATED CLAIMS ADJUSTMENT TECHNOLOGY PLATFORM THAT ALLOWS FOR ONLINE COMPARISON OF PHARMACY BENEFITS MANAGER INVOICES AND AUDITING OF OTHER ASPECTS OF THE SERVICES PROVIDED BY THE PHARMACY BENEFITS MANAGER; AND

(III) A PHARMACY BENEFITS MANAGER.

(2) IF PRACTICABLE, THE TECHNICAL ASSISTANCE SERVICES REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL USE A RE-PRICING OF PHARMACY BENEFITS MANAGER PROPOSALS FOR THE MARYLAND RX PROGRAM, USING CODE-BASED CLASSIFICATION OF DRUGS FROM NATIONALLY ACCEPTED DATA SOURCES OF COMPARISONS OF THE COSTS OF A PHARMACY BENEFITS MANAGER.

(D) TO THE EXTENT NECESSARY, THE DEPARTMENT MAY WAIVE OR MODIFY ANY OTHER LAW OR REGULATION THAT MAY INTERFERE WITH THE EXPEDITIOUS PROCUREMENT OF SERVICES UNDER THIS SECTION.”.

On page 23, in line 3, strike “6.” and substitute “2.”.