

# HOUSE BILL 589

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9lr1499  
CF 9lr3083

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By: **Delegates Barron and Kipke**

Introduced and read first time: February 4, 2019

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program and Managed Care Organizations That**  
3 **Use Pharmacy Benefits Managers – Reimbursement Requirements**

4 FOR the purpose of requiring the Maryland Medical Assistance Program to establish  
5 certain reimbursement levels for certain drug products; providing that certain  
6 provisions of this Act apply to managed care organizations that use pharmacy  
7 benefits managers to manage prescription drug coverage; requiring a pharmacy  
8 benefits manager that contracts with a pharmacy on behalf of a managed care  
9 organization to reimburse the pharmacy an amount that is at least equal to a certain  
10 cost plus a certain fee; and generally relating to the Maryland Medical Assistance  
11 Program and managed care organizations that use pharmacy benefits managers.

12 BY repealing and reenacting, with amendments,  
13 Article – Health – General  
14 Section 15–118(b)  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume and 2018 Supplement)

17 BY adding to  
18 Article – Health – General  
19 Section 15–118(f)  
20 Annotated Code of Maryland  
21 (2015 Replacement Volume and 2018 Supplement)

22 BY adding to  
23 Article – Insurance  
24 Section 15–1632  
25 Annotated Code of Maryland  
26 (2017 Replacement Volume and 2018 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Health – General**

3 15–118.

4 (b) (1) Except as provided under paragraph (2) of this subsection, the Program  
5 shall establish [maximum] **THE FOLLOWING** reimbursement levels for the drug products  
6 for which there is a generic equivalent authorized under § 12–504 of the Health  
7 Occupations Article[, based on the cost of the generic product]:

8 (i) **MINIMUM REIMBURSEMENT LEVELS AT LEAST EQUAL TO**  
9 **THE NATIONAL AVERAGE DRUG ACQUISITION COST OF THE GENERIC PRODUCT**  
10 **PLUS THE FEE–FOR–SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE**  
11 **DEPARTMENT IN ACCORDANCE WITH THE MOST RECENT IN–STATE**  
12 **COST–OF–DISPENSING SURVEY; AND**

13 (ii) **MAXIMUM REIMBURSEMENT LEVELS, AS DETERMINED**  
14 **APPROPRIATE BY THE PROGRAM.**

15 (2) If a prescriber directs a specific brand name drug, the reimbursement  
16 level shall be based on the [cost] **NATIONAL AVERAGE DRUG ACQUISITION COST** of the  
17 brand name product.

18 (f) **THE PROVISIONS OF § 15–1632 OF THE INSURANCE ARTICLE APPLY TO**  
19 **A MANAGED CARE ORGANIZATION THAT USES A PHARMACY BENEFITS MANAGER TO**  
20 **MANAGE PRESCRIPTION DRUG COVERAGE BENEFITS ON BEHALF OF THE MANAGED**  
21 **CARE ORGANIZATION.**

22 **Article – Insurance**

23 15–1632.

24 **A PHARMACY BENEFITS MANAGER THAT CONTRACTS WITH A PHARMACY ON**  
25 **BEHALF OF A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15–101 OF THE**  
26 **HEALTH – GENERAL ARTICLE, SHALL REIMBURSE THE PHARMACY AN AMOUNT**  
27 **THAT IS AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST**  
28 **PLUS THE FEE–FOR–SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE**  
29 **MARYLAND DEPARTMENT OF HEALTH FOR THE MARYLAND MEDICAL ASSISTANCE**  
30 **PROGRAM IN ACCORDANCE WITH THE MOST RECENT IN–STATE**  
31 **COST–OF–DISPENSING SURVEY.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2019.