

Chapter 452

(House Bill 1273)

AN ACT concerning

**Health Insurance – Audits of ~~Claims by~~ Pharmacies or Pharmacists – ~~Deadlines~~
Authorization to Withdraw and Resubmit Claims**

FOR the purpose of ~~authorizing a certain carrier, if the carrier conducts a certain audit of a claim by a pharmacy or pharmacist, to audit only claims submitted or adjudicated within a certain period of time immediately preceding the audit except under certain circumstances; altering the time frame during which certain claims must be submitted or adjudicated for the claims to be audited by a pharmacy benefits manager; defining a certain term; requiring a pharmacy benefits manager to allow a pharmacy or pharmacist to withdraw and resubmit certain claims with a certain number of days after a preliminary audit report is delivered or, if a pharmacy or pharmacist requests an internal audit, within a certain number of days after the conclusion of the internal appeals process; making a stylistic change; and generally relating to audits of claims by pharmacies or pharmacists.~~

BY repealing and reenacting, without amendments,

Article – Insurance

Section ~~15-141(a)(2) and~~ 15-1629(a) and (b)

Annotated Code of Maryland

(2017 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 15-1629(d)(7)

Annotated Code of Maryland

(2017 Replacement Volume and 2019 Supplement)

BY adding to

Article – Insurance

Section ~~15-144~~ 15-1629(d-1)

Annotated Code of Maryland

(2017 Replacement Volume and 2019 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – Insurance~~

~~Section 15-1629(d)(7)~~

~~Annotated Code of Maryland~~

~~(2017 Replacement Volume and 2019 Supplement)~~

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

Article – Insurance

~~15-141.~~~~(a) (2) “Carrier” means:~~~~(i) an insurer;~~~~(ii) a nonprofit health service plan;~~~~(iii) a health maintenance organization;~~~~(iv) a dental plan organization; or~~~~(v) any other person that provides health benefit plans subject to regulation by the State.~~~~15-144.~~~~(A) IN THIS SECTION, “CARRIER” HAS THE MEANING STATED IN § 15-141 OF THIS SUBTITLE.~~~~(B) IF A CARRIER CONDUCTS AN AUDIT OF A PHARMACY OR PHARMACIST UNDER CONTRACT WITH THE CARRIER, THE CARRIER MAY AUDIT ONLY CLAIMS SUBMITTED OR ADJUDICATED WITHIN THE 11-MONTH PERIOD IMMEDIATELY PRECEDING THE AUDIT, UNLESS A LONGER PERIOD IS AUTHORIZED UNDER FEDERAL OR STATE LAW.~~

15-1629.

(a) This section does not apply to an audit that involves probable or potential fraud or willful misrepresentation by a pharmacy or pharmacist.

(b) A pharmacy benefits manager shall conduct an audit of a pharmacy or pharmacist under contract with the pharmacy benefits manager in accordance with this section.

(d) When conducting an audit, a pharmacy benefits manager shall:

(7) only audit claims submitted or adjudicated within the ~~[2-year]~~ **11-MONTH** period immediately preceding the audit, unless a longer period is ~~[permitted]~~ **AUTHORIZED** under federal or State law;

(D-1) IF A CONTRACT BETWEEN A PHARMACY OR PHARMACIST AND A PHARMACY BENEFITS MANAGER SPECIFIES A PERIOD OF TIME IN WHICH A PHARMACY OR PHARMACIST IS ALLOWED TO WITHDRAW AND RESUBMIT A CLAIM AND THAT PERIOD OF TIME EXPIRES BEFORE THE PHARMACY BENEFITS MANAGER DELIVERS A PRELIMINARY AUDIT REPORT THAT IDENTIFIES DISCREPANCIES, THE PHARMACY BENEFITS MANAGER SHALL ALLOW THE PHARMACY OR PHARMACIST TO WITHDRAW AND RESUBMIT A CLAIM WITHIN 30 DAYS AFTER:

(1) THE PRELIMINARY AUDIT REPORT IS DELIVERED IF THE PHARMACY OR PHARMACIST DOES NOT REQUEST AN INTERNAL APPEAL UNDER SUBSECTION (I) OF THIS SECTION; OR

(2) THE CONCLUSION OF THE INTERNAL APPEALS PROCESS UNDER SUBSECTION (I) OF THIS SECTION IF THE PHARMACY OR PHARMACIST REQUESTS AN INTERNAL APPEAL.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.