

HOUSE BILL 1246

J5
HB 879/24 – HGO

5lr3479

By: **Delegate S. Johnson**

Introduced and read first time: February 7, 2025

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Benefit Plans – Calculation of Cost Sharing Contribution –**
3 **Requirements**

4 FOR the purpose of requiring certain insurers, nonprofit health service plans, and health
5 maintenance organizations to include certain discounts, financial assistance
6 payments, product vouchers, and other out-of-pocket expenses made by or on behalf
7 of an insured or enrollee when calculating certain cost-sharing contributions for
8 certain prescription drugs; requiring persons that provide certain discounts,
9 financial assistance payments, product vouchers, or other out-of-pocket expenses to
10 notify an insured or enrollee of certain information; providing that a violation of a
11 certain provision of this Act is considered a violation of the Consumer Protection Act;
12 and generally relating to the calculation of cost sharing requirements.

13 BY adding to
14 Article – Insurance
15 Section 15–118.1
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2024 Supplement)

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

20 **Article – Insurance**

21 **15–118.1.**

22 **(A) (1) THIS SECTION APPLIES TO:**

23 **(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT**
24 **PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR
2 CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

3 (II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE
4 HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER
5 CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

6 (2) AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH
7 MAINTENANCE ORGANIZATION THAT PROVIDES COVERAGE FOR PRESCRIPTION
8 DRUGS THROUGH A PHARMACY BENEFITS MANAGER IS SUBJECT TO THE
9 REQUIREMENTS OF THIS SECTION.

10 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, WHEN
11 CALCULATING AN INSURED'S OR ENROLLEE'S CONTRIBUTION TO THE INSURED'S OR
12 ENROLLEE'S COINSURANCE, COPAYMENT, DEDUCTIBLE, OR OUT-OF-POCKET
13 MAXIMUM UNDER THE INSURED'S OR ENROLLEE'S HEALTH BENEFIT PLAN, AN
14 ENTITY SUBJECT TO THIS SECTION SHALL INCLUDE ANY DISCOUNT, FINANCIAL
15 ASSISTANCE PAYMENT, PRODUCT VOUCHER, OR OTHER OUT-OF-POCKET EXPENSE
16 MADE BY OR ON BEHALF OF THE INSURED OR ENROLLEE FOR A PRESCRIPTION
17 DRUG:

18 (I) THAT IS COVERED UNDER THE INSURED'S OR ENROLLEE'S
19 HEALTH BENEFIT PLAN; AND

20 (II) 1. THAT DOES NOT HAVE AN AB-RATED GENERIC
21 EQUIVALENT DRUG OR AN INTERCHANGEABLE BIOLOGICAL PRODUCT PREFERRED
22 UNDER THE HEALTH BENEFIT PLAN'S FORMULARY; OR

23 2. A. THAT HAS AN AB-RATED GENERIC
24 EQUIVALENT DRUG OR AN INTERCHANGEABLE BIOLOGICAL PRODUCT PREFERRED
25 UNDER THE HEALTH BENEFIT PLAN'S FORMULARY; AND

26 B. FOR WHICH THE INSURED OR ENROLLEE ORIGINALLY
27 OBTAINED COVERAGE THROUGH PRIOR AUTHORIZATION, A STEP THERAPY
28 PROTOCOL, OR THE EXCEPTION OR APPEAL PROCESS OF THE ENTITY SUBJECT TO
29 THIS SECTION.

30 (2) IF AN INSURED OR ENROLLEE IS COVERED UNDER A
31 HIGH-DEDUCTIBLE HEALTH PLAN, AS DEFINED IN 26 U.S.C. § 223, THIS
32 SUBSECTION DOES NOT APPLY TO THE DEDUCTIBLE REQUIREMENT OF THE
33 HIGH-DEDUCTIBLE HEALTH PLAN.

34 (C) (1) A PERSON THAT PROVIDES A DISCOUNT, FINANCIAL ASSISTANCE
35 PAYMENT, PRODUCT VOUCHER, OR OTHER OUT-OF-POCKET EXPENSE MADE BY OR

1 ON BEHALF OF THE INSURED OR ENROLLEE THAT IS USED IN THE CALCULATION OF
2 THE INSURED'S OR ENROLLEE'S CONTRIBUTION TO THE INSURED'S OR ENROLLEE'S
3 COINSURANCE, COPAYMENT, DEDUCTIBLE, OR OUT-OF-POCKET MAXIMUM SHALL
4 NOTIFY THE INSURED OR ENROLLEE OF:

5 (I) THE MAXIMUM DOLLAR AMOUNT OF THE DISCOUNT,
6 FINANCIAL ASSISTANCE PAYMENT, PRODUCT VOUCHER, OR OTHER
7 OUT-OF-POCKET EXPENSE; AND

8 (II) THE EXPIRATION DATE FOR THE DISCOUNT, FINANCIAL
9 ASSISTANCE PAYMENT, PRODUCT VOUCHER, OR OTHER OUT-OF-POCKET EXPENSE.

10 (2) A VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION IS A
11 VIOLATION OF THE CONSUMER PROTECTION ACT.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
13 policies, contracts, and health plans issued, delivered, or renewed in the State on or after
14 January 1, 2026.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 January 1, 2026.