

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL NO. 397

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Weldon” and substitute “Weldon, Hammen, Hurson, and McDonough”; in line 2, before “Pharmacy” insert “Task Force to Study”; in the same line, strike “Act”; strike in their entirety lines 3 through 25, inclusive, and substitute:

“FOR the purpose of establishing a Task Force to Study Pharmacy Benefits Management; providing for the membership, staffing, and reimbursement of expenses of the Task Force; requiring the Task Force to study regulation of pharmacy benefits managers; specifying items to be included in the study; requiring the Task Force to recommend draft legislation; requiring the Task Force to report its findings and draft legislation, in accordance with certain provisions of the State Government Article, to the Senate Finance Committee and House Health and Government Operations Committee on or before a certain date; and generally relating to a Task Force to Study Pharmacy Benefits Management.”;

and strike in their entirety lines 26 through 29, inclusive.

On page 2, strike in their entirety lines 1 and 2; and in line 4, strike “the Laws of Maryland read as follows”.

AMENDMENT NO. 2

On pages 2 through 8, strike beginning with “Article” in line 5 on page 2 through the period in line 11 on page 8, inclusive, and substitute:

“(a) There is a Task Force to Study Pharmacy Benefits Management.

(b) The Task Force consists of the following members:

(Over)

(1) two members of the Senate of Maryland, one of whom shall serve as co-chairman, appointed by the President of the Senate;

(2) two members of the House of Delegates, one of whom shall serve as co-chairman, appointed by the Speaker of the House;

(3) the Secretary of Health and Mental Hygiene, or the Secretary's designee;

(4) the Insurance Commissioner, or the Commissioner's designee;

(5) the Secretary of Budget and Management, or the Secretary's designee; and

(6) the following members, appointed by the Secretary of Health and Mental Hygiene:

(i) three representatives of pharmacy benefits managers;

(ii) two representatives of retail pharmacies;

(iii) a licensed pharmacist;

(iv) an authorized prescriber; and

(v) a representative of health insurance carriers.

(c) The Department of Health and Mental Hygiene shall provide staff for the Task Force.

(d) A member of the Task Force:

(1) may not receive compensation; but

(2) is entitled to reimbursement for expenses under the Standard State Travel

Regulations.

(e) The Task Force shall study regulation of pharmacy benefits managers, including:

- (1) the entities included under the definition of pharmacy benefits manager;
  - (2) a State registration or certification process;
  - (3) the fiduciary relationship between a pharmacy benefit manager and a covered entity;
  - (4) any provisions of the Insurance Article, including provisions regulating private review agents, that could potentially conflict with regulation of pharmacy benefits managers;
  - (5) the financial and utilization information a pharmacy benefits manager should be required to provide to a covered entity and the proprietary nature of that information;
  - (6) the ability of a pharmacy benefits manager to substitute another prescription drug for the drug prescribed;
  - (7) whether a pharmacy benefits manager should be required to transfer to a covered entity any benefit or payment received by the pharmacy benefits manager as a result of a prescription drug substitution;
  - (8) whether a pharmacy benefits manager should be required to disclose to a covered entity the business relationships and financial terms and arrangements for remuneration that apply between the pharmacy benefits manager and a prescription drug manufacturer, mail order pharmacy, or labeler;
  - (9) whether a pharmacy benefits manager should be required to allow into its pharmacy network any retail pharmacy that agrees to match the prices offered by a mail order pharmacy; and
  - (10) the fiscal impact on the State of pharmacy benefits manager regulation.
- (f) The Task Force shall recommend draft legislation as a result of its study.

(g) The Task Force shall report its findings and recommended draft legislation, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and House Health and Government Operations Committee on or before December 1, 2004.”.

On page 8, in line 13, strike “October 1” and substitute “June 1”.