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By: ~~Delegates Morhaim, Elliott, and Hammen~~ Hammen, Benson, Boteler, Boutin, Bromwell, Costa, Donoghue, Frank, Goldwater, Hubbard, Hurson, Kach, Kullen, Mandel, McDonough, Murray, Nathan-Pulliam, Oaks, Pendergrass, Rudolph, V. Turner, and Weldon

Introduced and read first time: February 1, 2005  
Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 1, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance - Pharmacies - Electronic Reimbursement**

3 FOR the purpose of requiring certain insurers, nonprofit health service plans, and  
4 health maintenance organizations to reimburse a pharmacy electronically and  
5 provide appropriate payment data electronically under certain circumstances;  
6 prohibiting the imposition of a certain processing fee; providing for a delayed  
7 effective date; and generally relating to electronic claim reimbursement for  
8 pharmacies.

9 BY adding to  
10 Article - Health - General  
11 Section 19-706(ddd)  
12 Annotated Code of Maryland  
13 (2000 Replacement Volume and 2004 Supplement)

14 BY adding to  
15 Article - Insurance  
16 Section 15-131  
17 Annotated Code of Maryland  
18 (2002 Replacement Volume and 2004 Supplement)

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

1

**Article - Health - General**

2 19-706.

3 (DDD) THE PROVISIONS OF § 15-131 OF THE INSURANCE ARTICLE APPLY TO  
4 HEALTH MAINTENANCE ORGANIZATIONS.

5

**Article - Insurance**

6 15-131.

7 (A) THIS SECTION APPLIES TO:

8 (1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE,  
9 DIRECTLY OR THROUGH A PHARMACY BENEFIT MANAGER, COVERAGE FOR  
10 PRESCRIPTION DRUGS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT  
11 ARE ISSUED OR DELIVERED IN THE STATE; AND

12 (2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE, DIRECTLY  
13 OR THROUGH A PHARMACY BENEFIT MANAGER, COVERAGE FOR PRESCRIPTION  
14 DRUGS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

15 (B) IF AN ENTITY SUBJECT TO THIS SECTION REQUIRES A PHARMACY TO  
16 SUBMIT A REQUEST FOR PAYMENT ELECTRONICALLY, THEN THE PHARMACY OR  
17 DESIGNATED AGENT MAY CHOOSE TO BE REIMBURSED ELECTRONICALLY, AND IN  
18 THAT EVENT THE ENTITY SHALL REIMBURSE THE PHARMACY ELECTRONICALLY,  
19 AND SHALL PROVIDE THE APPROPRIATE PAYMENT DATA ELECTRONICALLY.

20 (C) AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE A PROCESSING  
21 FEE FOR THE ELECTRONIC REIMBURSEMENT OR FOR PROVIDING PAYMENT DATA  
22 ELECTRONICALLY.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, ~~2005~~ 2006.