
By: **Delegate Gilleland**

Introduced and read first time: February 10, 2005

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Prescription Drugs - Preferred Drug List - Price**

3 FOR the purpose of requiring certain insurers, nonprofit health service plans, and
4 health maintenance organizations to allow a member to purchase a preferred
5 brand-name drug at the price or co-payment required for a generic drug, if an
6 equivalent generic drug is not available; making certain provisions applicable to
7 health maintenance organizations; defining a certain term; and generally
8 relating to the price a member pays for prescription drugs on a preferred drug
9 list.

10 BY adding to

11 Article - Health - General
12 Section 19-706(ddd)
13 Annotated Code of Maryland
14 (2000 Replacement Volume and 2004 Supplement)

15 BY adding to

16 Article - Insurance
17 Section 15-131
18 Annotated Code of Maryland
19 (2002 Replacement Volume and 2004 Supplement)

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

22 **Article - Health - General**

23 19-706.

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

1

Article - Insurance

2 15-131.

3 (A) IN THIS SECTION, "MEMBER":

4 (1) MEANS AN INDIVIDUAL ENTITLED TO HEALTH CARE BENEFITS FOR
5 PRESCRIPTION DRUGS OR DEVICES UNDER A POLICY OR CONTRACT ISSUED OR
6 DELIVERED IN THE STATE BY AN ENTITY SUBJECT TO THIS SECTION; AND

7 (2) INCLUDES A SUBSCRIBER.

8 (B) THIS SECTION APPLIES TO:

9 (1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE
10 COVERAGE FOR PRESCRIPTION DRUGS UNDER HEALTH INSURANCE POLICIES OR
11 CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND12 (2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE COVERAGE
13 FOR PRESCRIPTION DRUGS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN
14 THE STATE.15 (C) AN ENTITY SUBJECT TO THIS SECTION THAT PROVIDES COVERAGE FOR
16 PRESCRIPTION DRUGS THROUGH A PHARMACY BENEFIT MANAGER AND USES A
17 PREFERRED DRUG LIST SHALL ALLOW A MEMBER TO PURCHASE A PREFERRED
18 BRAND-NAME DRUG AT THE DRUG PRICE OR CO-PAYMENT THE ENTITY REQUIRES
19 FOR A GENERIC DRUG, IF THERE IS NO EQUIVALENT GENERIC DRUG AVAILABLE ON
20 THE PREFERRED DRUG LIST.21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2005.