
By: **Senator Middleton**

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Assigned to: Rules

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 2005

CHAPTER _____

1 AN ACT concerning

2 **~~Health Insurance~~— Maintenance Drug Prescriptions - Mail Order Purchase**
3 **~~- Study~~**

4 FOR the purpose of ~~repealing a prohibition against certain health insurance or~~
5 ~~nonprofit health service plan policies or contracts imposing a co-payment,~~
6 ~~deductible, or other condition on the use of a community pharmacy that the~~
7 ~~policies or contracts do not impose on the services of a mail order pharmacy;~~
8 ~~prohibiting certain insurers, nonprofit health service plans, and health~~
9 ~~maintenance organizations from limiting the purchase of certain maintenance~~
10 ~~drugs to purchase through mail order pharmacies; authorizing certain insurers,~~
11 ~~nonprofit health service plans, and health maintenance organizations to~~
12 ~~establish cost sharing for retail purchase of certain maintenance drugs that~~
13 ~~differs from cost sharing for mail order purchase; and generally relating to~~
14 ~~health insurance provisions for purchasing prescribed maintenance drugs~~
15 ~~through mail order requiring the Maryland Insurance Administration and the~~
16 ~~Maryland Health Care Commission, in consultation with the Maryland Board of~~
17 ~~Pharmacy, to study the utilization impact, cost savings, financial impact on~~
18 ~~retail pharmacies, and convenience of mail order service for purchasing certain~~
19 ~~maintenance drugs; requiring the Administration and the Commission to issue a~~
20 ~~certain report to the Governor and the General Assembly on or before a certain~~
21 ~~date; and generally relating to the study of mail order purchases for~~
22 ~~maintenance prescription drugs.~~

23 ~~BY repealing and reenacting, with amendments,~~
24 ~~Article Insurance~~
25 ~~Section 15-805 and 15-824~~
26 ~~Annotated Code of Maryland~~

1 (~~2002 Replacement Volume and 2004 Supplement~~)

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

4 **~~Article—Insurance~~**

5 ~~15-805.~~

6 (a) (1) ~~In this section the following words have the meanings indicated.~~

7 (2) ~~"Authorized prescriber" means a licensed dentist, licensed physician,
8 or licensed podiatrist who is authorized under the Health Occupations Article to
9 prescribe a pharmaceutical product.~~

10 (3) ~~"Pharmaceutical product" means a drug or medicine that may be
11 prescribed by an authorized prescriber.~~

12 (b) ~~This section does not apply to a policy or contract that is issued to an
13 employer under a collective bargaining agreement.~~

14 (c) (1) ~~This subsection applies to each policy or contract that is issued or
15 delivered in the State to an employer or individual by an insurer or nonprofit health
16 service plan and that provides group or individual hospital, medical, or surgical
17 benefits.~~

18 (2) ~~A policy or contract subject to this subsection that provides
19 reimbursement for a pharmaceutical product prescribed by an authorized prescriber
20 may not establish the amount of reimbursement to the insured or the insured's
21 beneficiary, including copayments and deductibles, based on the identity, practicing
22 specialty, or occupation of the authorized prescriber.~~

23 ~~[(d) (1) This subsection applies to each individual or group policy or contract
24 that is issued or delivered in the State to an employer or individual by an insurer or
25 nonprofit health service plan and that provides benefits for pharmaceutical products.~~

26 (2) ~~A policy or contract subject to this subsection may not impose a
27 copayment, deductible, or other condition on an insured or certificate holder who uses
28 the services of a community pharmacy that is not imposed when the insured or
29 certificate holder uses the services of a mail order pharmacy, if the benefits are
30 provided under the same program, policy, or contract.]~~

31 ~~15-824.~~

32 (a) (1) ~~In this section the following words have the meanings indicated.~~

33 (2) ~~"Authorized prescriber" has the meaning stated in § 12-101 of the
34 Health Occupations Article.~~

1 (3) ~~"Maintenance drug" means a drug anticipated to be required for 6~~
2 ~~months or more to treat a chronic condition.~~

3 (b) This section applies to:

4 (1) ~~insurers and nonprofit health service plans that provide coverage for~~
5 ~~drugs under health insurance policies or contracts that are delivered or issued for~~
6 ~~delivery in the State to employers or individuals on a group or individual basis; and~~

7 (2) ~~health maintenance organizations that provide coverage for drugs~~
8 ~~under contracts that are delivered or issued for delivery in the State to employers or~~
9 ~~individuals on a group or individual basis.~~

10 (e) This section does not apply to an insured or enrollee who is a resident of a
11 ~~nursing home.~~

12 (d) (1) ~~An entity subject to this section shall allow an insured or enrollee, if~~
13 ~~authorized by an authorized prescriber, to receive up to a 90-day supply of a~~
14 ~~maintenance drug in a single dispensing of the prescription.~~

15 (2) ~~The provisions of paragraph (1) of this subsection do not apply to the~~
16 ~~first prescription or change in a prescription for a maintenance drug that the~~
17 ~~authorized prescriber prescribes for the insured or enrollee.~~

18 (e) ~~Whenever an entity subject to this section increases the co-payment for a~~
19 ~~single dispensing of a prescription in a supply in excess of 30 days, the entity shall~~
20 ~~also proportionately increase the dispensing fee to the pharmacist for the~~
21 ~~prescription.~~

22 (F) ~~AN ENTITY SUBJECT TO THIS SECTION MAY NOT LIMIT THE PURCHASE OF~~
23 ~~A 90-DAY SUPPLY OF A MAINTENANCE DRUG TO PURCHASE THROUGH A MAIL ORDER~~
24 ~~PHARMACY, BUT MAY ESTABLISH COST SHARING FOR RETAIL PURCHASE OF A~~
25 ~~MAINTENANCE DRUG THAT DIFFERS FROM COST SHARING FOR MAIL ORDER~~
26 ~~PURCHASE OF A MAINTENANCE DRUG.~~

27 (a) The Maryland Insurance Administration and the Maryland Health Care
28 Commission, in consultation with the Maryland Board of Pharmacy, shall study:

29 (1) the utilization of mail order service for purchasing a 90-day supply of
30 maintenance drugs;

31 (2) the cost savings to consumers who elect to use mail order service for
32 purchasing a 90-day supply of maintenance drugs;

33 (3) the financial impact of any increased utilization of mail order service
34 for purchases of a 90-day supply of maintenance drugs on retail pharmacies in the
35 State; and

36 (4) whether consumers find it convenient to use mail order service for
37 the purchase of maintenance prescription drugs.

1 (b) On or before December 31, 2005, the Maryland Insurance Administration
2 and the Maryland Health Care Commission shall report to the Governor and, in
3 accordance with § 2-1246 of the State Government Article, to the General Assembly
4 on the findings of the study required under paragraph (a) of this section.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 ~~October 1~~ July 1, 2005.