

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 417

(Delegate Morhaim, *et al.*)

Health and Government Operations

Finance

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**Health Insurance - Pharmacies - Electronic Reimbursement**

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This bill requires a health insurer, nonprofit health service plan, or HMO (carrier) that provides prescription drug coverage and requires a pharmacy to submit a request for payment electronically to reimburse that pharmacy electronically at the pharmacy's request.

The bill takes effect October 1, 2006.

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**Fiscal Summary**

**State Effect:** None. The bill pertains exclusively to private sector activities.

**Local Effect:** None.

**Small Business Effect:** Potential minimal. Electronic reimbursement could reduce small business pharmacy administrative costs.

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**Analysis**

**Current Law:** The Medicaid program is required to reimburse a pharmacy electronically, upon request, if Medicaid requires the pharmacy to submit its request for reimbursement electronically.

**Background:** HB 512 of 2004, an identical bill, was referred to interim study last session and the Health and Government Operations' Insurance Subcommittee held a

briefing on November 9, 2004 to hear from the pharmacy industry and payors. Opinions on the feasibility of requiring electronic reimbursement varied.

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### **Additional Information**

**Prior Introductions:** An identical bill, HB 512 of 2004, was referred to interim study by the Health and Government Operations Committee.

**Cross File:** SB 316 (Senator Klausmeier) – Finance.

**Information Source(s):** Department of Health and Mental Hygiene (Medicaid, Boards and Commissions, Maryland Health Care Commission), Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2005  
mp/jr Revised - House Third Reader - March 17, 2005

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