

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

Health Insurance - Pharmacies - Electronic Reimbursement

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.

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.

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.

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
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