
By: **Delegates Gilleland, Costa, Donoghue, Hubbard, and Kullen**
Introduced and read first time: February 8, 2006
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 individuals entitled to health care
5 benefits for prescription drugs or devices under certain policies or contracts to
6 purchase a preferred brand-name drug at the price or co-payment required for
7 a generic drug, if an equivalent generic drug is not available; making certain
8 provisions applicable to health maintenance organizations; defining a certain
9 term; and generally relating to the price or co-payment for prescription drugs on
10 a preferred drug list by certain individuals.

11 BY adding to
12 Article - Health - General
13 Section 19-706(ggg)
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2005 Supplement)

16 BY adding to
17 Article - Insurance
18 Section 15-805.1
19 Annotated Code of Maryland
20 (2002 Replacement Volume and 2005 Supplement)

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

23 **Article - Health - General**

24 19-706.

25 (GGG) THE PROVISIONS OF § 15-805.1 OF THE INSURANCE ARTICLE APPLY TO
26 HEALTH MAINTENANCE ORGANIZATIONS.

1

Article - Insurance

2 15-805.1.

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; AND

12 (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, 2006.