

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 725 (Delegate Tarrant, *et al.*)  
Health and Government Operations

Finance

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Group Model Health Maintenance Organizations - Drug Therapy Management

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This bill sets standards for licensed physicians and licensed pharmacists who wish to provide drug therapy management to patients in a group model health maintenance organization (HMO). It exempts group model HMOs that wish to provide drug management therapy to a patient from having to enter into a therapy management contract with the patient.

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Fiscal Summary

**State Effect:** Potential minimal increase in special fund revenues and expenditures if additional pharmacist-therapist agreements are reviewed and approved under the bill.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** The bill defines a “group model HMO” as one that contracts with one multispecialty group of physicians who are employed by, and shareholders of, the multispecialty group, and provides and arranges for physician services to patients at HMO operated medical facilities. Drug therapy management for patients who are members of a group model HMO must be provided under a physician-pharmacist agreement approved by the Board of Pharmacy and Board of Physicians and through the internal pharmacy operations of the HMO.

A physician-pharmacist agreement is valid for two years from the date of approval and may be renewed for additional two-year terms. The boards may not approve a physician-pharmacist agreement if the boards find that (1) the physician or pharmacist lacks adequate training, experience, or education to implement the protocols specified in the agreement; or (2) legal requirements pertaining to physicians or pharmacists, including any applicable regulations, have not been satisfied.

A physician-pharmacist agreement prohibits the pharmacist from substituting a chemically dissimilar drug for the one prescribed by the physician, unless permitted in the agreement.

A licensed physician and/or licensed pharmacist must inform the patient of drug therapy management procedures; that he or she may decline to participate or withdraw from drug therapy management participation at any time; and that neither the physician nor pharmacist has been coerced or given economic incentives, except for normal reimbursement, or involuntarily required to participate. The patient's documented informed consent has to be obtained after disclosing the required information.

**Current Law:** Chapter 249 of 2002 created the Drug Therapy Management Program which authorized a physician and a pharmacist to enter into a therapy management contract that specifies treatment protocols that may be used to provide care to a patient.

A "therapy management contract" is a voluntary, written arrangement that is disease-state specific and applies to one licensed pharmacist, one licensed physician, and one patient receiving care from the physician and pharmacist. However, a therapy management contract is not required to manage patients in an institutional facility. A "physician-pharmacist" agreement is an approved agreement between a physician and pharmacist that is disease-state specific and specifies the protocols that may be used. A "protocol" is a course of treatment predetermined by the physician and pharmacist according to generally accepted medical practice for the proper completion of a particular therapeutic or diagnostic intervention. A protocol may authorize the modification, continuation, and discontinuation of drug therapy under written, disease-state specific protocols; the ordering of laboratory tests; and other patient care management measures related to monitoring or improving the outcomes of drug or device therapy.

For a physician and pharmacist to enter into a therapy management contract, a physician-pharmacist agreement has to be approved by the Board of Physicians and the Board of Pharmacy. The boards may not approve a physician-pharmacist agreement if the boards find (1) that the physician or pharmacist lack adequate training, experience, or education to implement the protocols specified in the contract; or (2) legal requirements that pertain to physicians or pharmacists have not been satisfied. A participating pharmacist must have a doctor of pharmacy degree or equivalent training. A physician-pharmacist agreement is valid for two years from the date of approval.

The program is scheduled to terminate September 30, 2010.

**Background:** The Drug Therapy Management Program operates through a joint committee between the Board of Physicians and the Board of Pharmacy. Neither board allocates any funds to the program. According to the Board of Pharmacy, four physician-pharmacist agreements and six sets of protocols have been approved so far. The fee for a physician-pharmacist agreement application that includes one protocol is \$250. The fee charged to review an additional protocol is \$50.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 791 (Senator Klausmeier) - Finance and Education, Health, and Environmental Affairs.

**Information Source(s):** Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2009  
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