

SENATE BILL 540

J1, C3

2lr1843
CF HB 470

By: **Senator Astle**

Introduced and read first time: February 3, 2012

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Commission – Preauthorization of Medical Services**
3 **and Pharmaceuticals – Standards**

4 FOR the purpose of requiring the Maryland Health Care Commission to adopt
5 regulations to establish standards for the preauthorization of medical services
6 and pharmaceuticals by certain payors, pharmacy benefits managers, and
7 providers; requiring certain standards to include a certain exemption process;
8 providing that certain standards may include certain penalties; and generally
9 relating to the Maryland Health Care Commission and certain preauthorization
10 standards.

11 BY repealing and reenacting, without amendments,
12 Article – Health – General
13 Section 19–101
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2011 Supplement)

16 BY adding to
17 Article – Health – General
18 Section 19–108.2
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2011 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 19–101.

25 In this subtitle, “Commission” means the Maryland Health Care Commission.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



19-108.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "HEALTH CARE PRACTITIONER" HAS THE MEANING STATED IN § 19-111 OF THIS SUBTITLE.

(3) "PAYOR" HAS THE MEANING STATED IN § 19-111 OF THIS SUBTITLE.

(4) "PHARMACY BENEFITS MANAGER" HAS THE MEANING STATED IN § 15-1601 OF THE INSURANCE ARTICLE.

(5) "PROVIDER" HAS THE MEANING STATED IN § 19-7A-01 OF THIS TITLE.

(B) IN ADDITION TO THE DUTIES STATED ELSEWHERE IN THIS SUBTITLE, THE COMMISSION SHALL ADOPT REGULATIONS ESTABLISHING STANDARDS FOR PREAUTHORIZATION BY:

(1) PAYORS FOR MEDICAL SERVICES AND PHARMACEUTICALS TO BE PROVIDED AFTER DECEMBER 31, 2012;

(2) PHARMACY BENEFITS MANAGERS FOR MEDICAL SERVICES AND PHARMACEUTICALS TO BE PROVIDED AFTER DECEMBER 31, 2012; AND

(3) PROVIDERS FOR MEDICAL SERVICES AND PHARMACEUTICALS ORDERED AFTER DECEMBER 31, 2015.

(C) THE STANDARDS ADOPTED UNDER SUBSECTION (B) OF THIS SECTION:

(1) SHALL INCLUDE A PROCESS FOR A PAYOR, PHARMACY BENEFITS MANAGER, OR PROVIDER UNDER SUBSECTION (B) OF THIS SECTION TO OBTAIN AN EXEMPTION FROM COMPLIANCE WITH THE STANDARDS FOR EXTENUATING CIRCUMSTANCES, INCLUDING:

(I) THE LACK OF BROADBAND INTERNET ACCESS;

(II) A PRACTICE WITH A LOW PATIENT VOLUME AS DEFINED BY THE COMMISSION; OR

1 (III) A SPECIALTY PROVIDER THAT DOES NOT MAKE
2 MEDICAL REFERRALS OR PRESCRIBE PHARMACEUTICALS; AND

3 (2) MAY INCLUDE PENALTIES FOR NONCOMPLIANCE.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2012.