

SENATE BILL 169

J1, C3

8lr0869

By: **Senators Feldman and Brochin**

Introduced and read first time: January 15, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Health – Prescription Drug and Medical Supply Access and Affordability**
3 **Workgroup**

4 FOR the purpose of requiring the Secretary of Health to convene a workgroup to study the
5 advisability of the State forming a generic drugs and medical supplies purchasing
6 cooperative and establishing Maryland as an open formulary State; requiring that
7 the workgroup include certain individuals; requiring the Secretary, or the
8 Secretary's designee, to chair the workgroup; requiring the workgroup to study and
9 make recommendations regarding certain matters; requiring the workgroup to
10 report its findings and recommendations to the Governor and the General Assembly
11 on or before a certain date; providing for the termination of this Act; and generally
12 relating to the generic drugs and medical supplies purchasing cooperative
13 workgroup.

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
15 That:

16 (a) The Secretary of Health shall convene a workgroup to study the advisability
17 of the State forming a generic drugs and medical supplies purchasing cooperative and
18 establishing Maryland as an open formulary State.

19 (b) The workgroup convened under subsection (a) of this section shall include:

20 (1) one member of the Senate Finance Committee, selected by the
21 President of the Senate;

22 (2) one member of the House Health and Government Operations
23 Committee, selected by the Speaker of the House of Delegates;

24 (3) the Attorney General, or the Attorney General's designee;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) the Secretary of Health, or the Secretary's designee;

2 (5) the Secretary of Budget and Management, or the Secretary's designee;

3 (6) the Maryland Insurance Commissioner, or the Commissioner's
4 designee;

5 (7) the Executive Director of the Health Services Cost Review Commission,
6 or the Executive Director's designee; and

7 (8) the following individuals, selected by the Secretary of Health:

8 (i) one representative of the Maryland Pharmacists Association;

9 (ii) one representative of the Maryland Hospital Association;

10 (iii) two representatives of hospitals located in the State;

11 (iv) one representative of MedChi, The Maryland State Medical
12 Society;

13 (v) one representative of the general public representing health care
14 consumers in the State;

15 (vi) two representatives of large private medical practices;

16 (vii) one representative of a health insurance carrier; and

17 (viii) any other individuals considered necessary by the Secretary.

18 (c) The Secretary of Health, or the Secretary's designee, shall chair the
19 workgroup.

20 (d) The workgroup shall study and make recommendations regarding the
21 advisability of:

22 (1) the State, along with hospitals, pharmacies, health care facilities, and
23 private medical practices in the State:

24 (i) forming a purchasing cooperative to use the collective purchasing
25 power of the State and all participating medical institutions and private medical practices
26 to purchase medical supplies and drugs; and

27 (ii) contracting with qualified organizations to manufacture generic
28 drugs and medical supplies at a cost that is less than the cost for which the medical supplies
29 and drugs can be purchased through traditional distribution channels; and

1 (2) prohibiting insurers, nonprofit health service plans, and health
2 maintenance organizations that provide coverage for prescription drugs and devices under
3 policies or contracts that are issued or delivered in the State from restricting coverage for
4 a prescription drug or device by use of a formulary.

5 (e) On or before January 1, 2019, the workgroup shall report its findings and
6 recommendations to the Governor and, in accordance with § 2-1246 of the State
7 Government Article, the General Assembly.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2018. It shall remain effective for a period of 1 year and, at the end of June 30, 2019, this
10 Act, with no further action required by the General Assembly, shall be abrogated and of no
11 further force and effect.