

# HOUSE BILL 1324

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By: **Delegates Barron and Kipke**

Introduced and read first time: February 15, 2019

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program and Managed Care Organizations That**  
3 **Use Pharmacy Benefits Managers – Reimbursement Requirements**

4 FOR the purpose of requiring the Maryland Medical Assistance Program to establish  
5 reimbursement levels, rather than maximum reimbursement levels, for certain drug  
6 products; requiring that certain minimum reimbursement levels be at least equal to  
7 a certain drug acquisition cost plus a certain fee; altering the cost on which a certain  
8 reimbursement level is required to be based; providing that certain provisions of this  
9 Act apply to managed care organizations that use pharmacy benefits managers to  
10 manage prescription drug coverage; requiring a pharmacy benefits manager that  
11 contracts with a pharmacy on behalf of a managed care organization to reimburse  
12 the pharmacy an amount that is at least equal to a certain cost plus a certain fee;  
13 and generally relating to the Maryland Medical Assistance Program and managed  
14 care organizations that use pharmacy benefits managers.

15 BY repealing and reenacting, with amendments,  
16 Article – Health – General  
17 Section 15–118(b)  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2018 Supplement)

20 BY adding to  
21 Article – Health – General  
22 Section 15–118(f)  
23 Annotated Code of Maryland  
24 (2015 Replacement Volume and 2018 Supplement)

25 BY adding to  
26 Article – Insurance  
27 Section 15–1632  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2017 Replacement Volume and 2018 Supplement)

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

**Article – Health – General**

15–118.

(b) (1) [Except] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND EXCEPT** as provided under paragraph [(2)] **(3)** of this subsection, the Program shall establish [maximum] reimbursement levels for the drug products for which there is a generic equivalent authorized under § 12–504 of the Health Occupations Article[, based on the cost of the generic product].

**(2) MINIMUM REIMBURSEMENT LEVELS ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST OF THE GENERIC PRODUCT PLUS THE FEE-FOR-SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE MOST RECENT IN-STATE COST-OF-DISPENSING SURVEY.**

[(2)] **(3)** If a prescriber directs a specific brand name drug, the reimbursement level shall be based on the [cost] **NATIONAL AVERAGE DRUG ACQUISITION COST** of the brand name product **PLUS THE FEE-FOR-SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE MOST RECENT IN-STATE COST-OF-DISPENSING SURVEY.**

**(F) THE PROVISIONS OF § 15–1632 OF THE INSURANCE ARTICLE APPLY TO A MANAGED CARE ORGANIZATION THAT USES A PHARMACY BENEFITS MANAGER TO MANAGE PRESCRIPTION DRUG COVERAGE BENEFITS ON BEHALF OF THE MANAGED CARE ORGANIZATION.**

**Article – Insurance**

15–1632.

**A PHARMACY BENEFITS MANAGER THAT CONTRACTS WITH A PHARMACY ON BEHALF OF A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15–101 OF THE HEALTH – GENERAL ARTICLE, SHALL REIMBURSE THE PHARMACY AN AMOUNT THAT IS AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST PLUS THE FEE-FOR-SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE MARYLAND DEPARTMENT OF HEALTH FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM IN ACCORDANCE WITH THE MOST RECENT IN-STATE**

1 ~~COST-OF-DISPENSING SURVEY.~~

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
3 October 1, 2019.