

HOUSE BILL 1273

C3

01r3049

By: Delegates Johnson, Acevero, Arikan, Hill, Kelly, Kerr, Kipke, Krebs, R. Lewis, Parrott, Saab, Shetty, Szeliga, and Valderrama Valderrama, Bagnall, Barron, Belcastro, Bhandari, Carr, Charles, Chisholm, Cullison, Morgan, Pena-Melnyk, Pendergrass, Reilly, Rosenberg, Sample-Hughes, and K. Young

Introduced and read first time: February 7, 2020

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2020

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Audits of ~~Claims by Pharmacies or Pharmacists – Deadlines~~**
3 **Authorization to Withdraw and Resubmit Claims**

4 FOR the purpose of ~~authorizing a certain carrier, if the carrier conducts a certain audit of~~
5 ~~a claim by a pharmacy or pharmacist, to audit only claims submitted or adjudicated~~
6 ~~within a certain period of time immediately preceding the audit except under certain~~
7 ~~circumstances; altering the time frame during which certain claims must be~~
8 ~~submitted or adjudicated for the claims to be audited by a pharmacy benefits~~
9 ~~manager; defining a certain term; requiring a pharmacy benefits manager to allow a~~
10 pharmacy or pharmacist to withdraw and resubmit certain claims with a certain
11 number of days after a preliminary audit report is delivered or, if a pharmacy or
12 pharmacist requests an internal audit, within a certain number of days after the
13 conclusion of the internal appeals process; making a stylistic change; and generally
14 relating to audits of claims by pharmacies or pharmacists.

15 BY repealing and reenacting, without amendments,
16 Article – Insurance
17 Section ~~15-141(a)(2)~~ and 15-1629(a) and (b)
18 Annotated Code of Maryland
19 (2017 Replacement Volume and 2019 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,

2 Article – Insurance

3 Section 15–1629(d)(7)

4 Annotated Code of Maryland

5 (2017 Replacement Volume and 2019 Supplement)

6 BY adding to

7 Article – Insurance

8 Section ~~15–144~~ 15–1629(d–1)

9 Annotated Code of Maryland

10 (2017 Replacement Volume and 2019 Supplement)

11 ~~BY repealing and reenacting, with amendments,~~

12 ~~Article – Insurance~~

13 ~~Section 15–1629(d)(7)~~

14 ~~Annotated Code of Maryland~~

15 ~~(2017 Replacement Volume and 2019 Supplement)~~

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

18 **Article – Insurance**

19 ~~15–141.~~

20 ~~(a) (2) “Carrier” means:~~

21 ~~(i) an insurer;~~

22 ~~(ii) a nonprofit health service plan;~~

23 ~~(iii) a health maintenance organization;~~

24 ~~(iv) a dental plan organization; or~~

25 ~~(v) any other person that provides health benefit plans subject to~~
 26 ~~regulation by the State.~~

27 ~~15–144.~~

28 ~~(A) IN THIS SECTION, “CARRIER” HAS THE MEANING STATED IN § 15–141 OF~~
 29 ~~THIS SUBTITLE.~~

30 ~~(B) IF A CARRIER CONDUCTS AN AUDIT OF A PHARMACY OR PHARMACIST~~
 31 ~~UNDER CONTRACT WITH THE CARRIER, THE CARRIER MAY AUDIT ONLY CLAIMS~~
 32 ~~SUBMITTED OR ADJUDICATED WITHIN THE 11-MONTH PERIOD IMMEDIATELY~~

1 ~~PRECEDING THE AUDIT, UNLESS A LONGER PERIOD IS AUTHORIZED UNDER~~
2 ~~FEDERAL OR STATE LAW.~~

3 15-1629.

4 (a) This section does not apply to an audit that involves probable or potential
5 fraud or willful misrepresentation by a pharmacy or pharmacist.

6 (b) A pharmacy benefits manager shall conduct an audit of a pharmacy or
7 pharmacist under contract with the pharmacy benefits manager in accordance with this
8 section.

9 (d) When conducting an audit, a pharmacy benefits manager shall:

10 (7) only audit claims submitted or adjudicated within the ~~2-year~~
11 ~~11-MONTH~~ period immediately preceding the audit, unless a longer period is [permitted]
12 AUTHORIZED under federal or State law;

13 (D-1) IF A CONTRACT BETWEEN A PHARMACY OR PHARMACIST AND A
14 PHARMACY BENEFITS MANAGER SPECIFIES A PERIOD OF TIME IN WHICH A
15 PHARMACY OR PHARMACIST IS ALLOWED TO WITHDRAW AND RESUBMIT A CLAIM
16 AND THAT PERIOD OF TIME EXPIRES BEFORE THE PHARMACY BENEFITS MANAGER
17 DELIVERS A PRELIMINARY AUDIT REPORT THAT IDENTIFIES DISCREPANCIES, THE
18 PHARMACY BENEFITS MANAGER SHALL ALLOW THE PHARMACY OR PHARMACIST TO
19 WITHDRAW AND RESUBMIT A CLAIM WITHIN 30 DAYS AFTER:

20 (1) THE PRELIMINARY AUDIT REPORT IS DELIVERED IF THE
21 PHARMACY OR PHARMACIST DOES NOT REQUEST AN INTERNAL APPEAL UNDER
22 SUBSECTION (I) OF THIS SECTION; OR

23 (2) THE CONCLUSION OF THE INTERNAL APPEALS PROCESS UNDER
24 SUBSECTION (I) OF THIS SECTION IF THE PHARMACY OR PHARMACIST REQUESTS AN
25 INTERNAL APPEAL.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2020.