

# SENATE BILL 931

C3, J1

EMERGENCY BILL

0lr3652  
CF HB 652

---

By: **Senator Hayes**

Introduced and read first time: February 3, 2020

Assigned to: Finance

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program and Health Insurance – Specialty Drugs**  
3 **– Definition**

4 FOR the purpose of prohibiting the Secretary of Health from considering certain drugs to  
5 be specialty drugs for the purpose of providing services under the Maryland Medical  
6 Assistance Program; excluding prescription drugs prescribed to treat certain medical  
7 conditions from the definition of “specialty drug” for the purposes of certain  
8 provisions of law limiting the authority of certain insurers, nonprofit health service  
9 plans, and health maintenance organizations to impose copayment and coinsurance  
10 requirements; making conforming changes; providing for the application of this Act;  
11 making this Act an emergency measure; and generally relating to specialty drugs.

12 BY repealing and reenacting, without amendments,  
13 Article – Health – General  
14 Section 15–101(a) and (h)  
15 Annotated Code of Maryland  
16 (2019 Replacement Volume)

17 BY adding to  
18 Article – Health – General  
19 Section 15–118.1  
20 Annotated Code of Maryland  
21 (2019 Replacement Volume)

22 BY repealing and reenacting, with amendments,  
23 Article – Insurance  
24 Section 15–847  
25 Annotated Code of Maryland  
26 (2017 Replacement Volume and 2019 Supplement)

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

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Health – General**

3 15–101.

4 (a) In this title the following words have the meanings indicated.

5 (h) “Program” means the Maryland Medical Assistance Program.

6 **15–118.1.**

7 **THE SECRETARY MAY NOT CONSIDER DRUGS PRESCRIBED TO TREAT**  
8 **DIABETES, HIV, OR AIDS TO BE SPECIALTY DRUGS FOR THE PURPOSE OF**  
9 **PROVIDING SERVICES UNDER THE PROGRAM.**

10 **Article – Insurance**

11 15–847.

12 (a) (1) In this section the following words have the meanings indicated.

13 (2) (i) “Complex or chronic medical condition” means a physical,  
14 behavioral, or developmental condition that:

- 15 1. may have no known cure;
- 16 2. is progressive; or
- 17 3. can be debilitating or fatal if left untreated or  
18 undertreated.

19 (ii) “Complex or chronic medical condition” includes:

- 20 1. multiple sclerosis;
- 21 2. hepatitis C; and
- 22 3. rheumatoid arthritis.

23 (3) “Managed care system” means a system of cost containment methods  
24 that an insurer, a nonprofit health service plan, or a health maintenance organization uses  
25 to review and preauthorize drugs prescribed by a health care provider for a covered  
26 individual to control utilization, quality, and claims.

27 (4) (i) “Rare medical condition” means a disease or condition that  
28 affects fewer than:

- 1 1. 200,000 individuals in the United States; or
- 2 2. approximately 1 in 1,500 individuals worldwide.

3 (ii) “Rare medical condition” includes:

- 4 1. cystic fibrosis;
- 5 2. hemophilia; and
- 6 3. multiple myeloma.

7 (5) (I) “Specialty drug” means a prescription drug that:

8 [(i)] 1. is prescribed for an individual with a complex or chronic  
9 medical condition or a rare medical condition;

10 [(ii)] 2. costs \$600 or more for up to a 30–day supply;

11 [(iii)] 3. is not typically stocked at retail pharmacies; and

12 [(iv) 1.] 4. A. requires a difficult or unusual process of  
13 delivery to the patient in the preparation, handling, storage, inventory, or distribution of  
14 the drug; or

15 [2.] B. requires enhanced patient education, management,  
16 or support, beyond those required for traditional dispensing, before or after administration  
17 of the drug.

18 (II) **“SPECIALTY DRUG” DOES NOT INCLUDE A PRESCRIPTION**  
19 **DRUG PRESCRIBED TO TREAT DIABETES, HIV, OR AIDS.**

20 (b) This section applies to:

21 (1) insurers and nonprofit health service plans that provide coverage for  
22 prescription drugs under individual, group, or blanket health insurance policies or  
23 contracts that are issued or delivered in the State; and

24 (2) health maintenance organizations that provide coverage for  
25 prescription drugs under individual or group contracts that are issued or delivered in the  
26 State.

27 (c) (1) Subject to paragraph (2) of this subsection, an entity subject to this  
28 section may not impose a copayment or coinsurance requirement on a covered specialty  
29 drug that exceeds \$150 for up to a 30–day supply of the specialty drug.

1           (2) On July 1 of each year, the limit on the copayment or coinsurance  
2 requirement on a covered specialty drug shall increase by a percentage equal to the  
3 percentage change from the preceding year in the medical care component of the March  
4 Consumer Price Index for All Urban Consumers, Washington Metropolitan Area, from the  
5 U.S. Department of Labor, Bureau of Labor Statistics.

6           (d) Subject to § 15–805 of this subtitle and notwithstanding § 15–806 of this  
7 subtitle, nothing in this article or regulations adopted under this article precludes an entity  
8 subject to this section from requiring a covered specialty drug to be obtained through:

9           (1) a designated pharmacy or other source authorized under the Health  
10 Occupations Article to dispense or administer prescription drugs; or

11           (2) a pharmacy participating in the entity’s provider network, if the entity  
12 determines that the pharmacy:

13                   (i) meets the entity’s performance standards; and

14                   (ii) accepts the entity’s network reimbursement rates.

15           (e) (1) A pharmacy registered under § 340B of the federal Public Health  
16 Services Act may apply to an entity subject to this section to be a designated pharmacy  
17 under subsection (d)(1) of this section for the purpose of enabling the pharmacy’s patients  
18 with [HIV, AIDS, or] hepatitis C to receive the copayment or coinsurance maximum  
19 provided for in subsection (c) of this section if:

20                   (i) the pharmacy is owned by a federally qualified health center, as  
21 defined in 42 U.S.C. § 254B;

22                   (ii) the federally qualified health center provides integrated and  
23 coordinated medical and pharmaceutical services to [HIV positive, AIDS, and] hepatitis C  
24 patients; and

25                   (iii) the prescription drugs are covered specialty drugs for the  
26 treatment of [HIV, AIDS, or] hepatitis C.

27           (2) An entity subject to this section may not unreasonably withhold  
28 approval of a pharmacy’s application under paragraph (1) of this subsection.

29           (f) An entity subject to this section may provide coverage for specialty drugs  
30 through a managed care system.

31           (g) (1) A determination by an entity subject to this section that a prescription  
32 drug is not a specialty drug is considered a coverage decision under § 15–10D–01 of this  
33 title.

1           (2) For complaints filed with the Commissioner under this subsection, if  
2 the entity made its determination that a prescription drug is not a specialty drug on the  
3 basis that the prescription drug did not meet the criteria listed in subsection (a)(5)(i) of this  
4 section:

5           (i) the Commissioner may seek advice from an independent review  
6 organization or medical expert on the list compiled under § 15–10A–05(b) of this title; and

7           (ii) the expenses for any advice provided by an independent review  
8 organization or medical expert shall be paid for as provided under § 15–10A–05(h) of this  
9 title.

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
11 policies, contracts, and health benefit plans issued, delivered, amended, or renewed in the  
12 State on or after the effective date of this Act.

13           SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
14 measure, is necessary for the immediate preservation of the public health or safety, has  
15 been passed by a ye and nay vote supported by three–fifths of all the members elected to  
16 each of the two Houses of the General Assembly, and shall take effect from the date it is  
17 enacted.