

SENATE BILL 513

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CF HB 170

By: **Senator Feldman**

Introduced and read first time: January 22, 2021

Assigned to: Finance and Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Cancer Drugs – Physician Dispensing and Coverage**

3 FOR the purpose of providing that certain provisions of law do not prohibit a physician who
4 has a valid dispensing permit and complies with certain provisions of law from
5 personally dispensing to a patient by mail or other commercial method a starter
6 dosage of a cancer drug or device or an initial or refill prescription of a cancer drug;
7 requiring certain entities to allow certain insureds, enrollees, and beneficiaries to
8 obtain a cancer drug from a dispensing physician; defining certain terms; requiring
9 that certain beneficiaries be allowed to obtain a cancer drug from a dispensing
10 physician; providing for the application of this Act; providing for a delayed effective
11 date; and generally relating to cancer drugs.

12 BY adding to
13 Article – Health Occupations
14 Section 12–102(l)
15 Annotated Code of Maryland
16 (2014 Replacement Volume and 2020 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Health Occupations
19 Section 12–102(l) and (m)
20 Annotated Code of Maryland
21 (2014 Replacement Volume and 2020 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Insurance
24 Section 15–847(a) and (d) and 15–1611.1
25 Annotated Code of Maryland
26 (2017 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Health Occupations**

4 12–102.

5 **(L) THIS TITLE DOES NOT PROHIBIT A PHYSICIAN WHO HAS A VALID**
6 **DISPENSING PERMIT AND COMPLIES WITH SUBSECTION (C)(2)(II) OF THIS SECTION**
7 **FROM PERSONALLY DISPENSING TO A PATIENT OR PATIENT OF THE PHYSICIAN’S**
8 **PRACTICE BY MAIL OR OTHER COMMERCIAL METHOD:**

9 **(1) A STARTER DOSAGE OF A CANCER DRUG OR DEVICE; OR**

10 **(2) AN INITIAL OR REFILL PRESCRIPTION OF A CANCER DRUG.**

11 **[(l)] (M)** The Board of Pharmacy, the Board of Dental Examiners, the Board of
12 Physicians, and the Board of Podiatric Medical Examiners annually shall report to the
13 Office of Controlled Substances Administration:

14 (1) The names and addresses of its licensees who are authorized to
15 personally prepare and dispense prescription drugs; and

16 (2) The names and addresses of its licensees who have reported, in
17 accordance with subsection (c)(2)(ii)4L of this section, that they have personally prepared
18 and dispensed prescription drugs within the previous year.

19 **[(m)] (N)** A dentist, physician, or podiatrist who fails to comply with the
20 provisions of this section governing the dispensing of prescription drugs or devices shall:

21 (1) Have the dispensing permit revoked; and

22 (2) Be subject to disciplinary actions by the appropriate licensing board.

23 **Article – Insurance**

24 15–847.

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

26 **(2) (I) “CANCER DRUG” MEANS ANY ORAL ONCOLOGY DRUG.**

27 **(II) “CANCER DRUG” INCLUDES ANY ORAL ONCOLOGY**
28 **SPECIALTY DRUG THAT IS PRESCRIBED FOR THE TREATMENT OF CANCER.**

29 **[(2)] (3)** (i) “Complex or chronic medical condition” means a physical,

1 behavioral, or developmental condition that:

- 2 1. may have no known cure;
- 3 2. is progressive; or
- 4 3. can be debilitating or fatal if left untreated or
- 5 undertreated.

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

- 7 1. multiple sclerosis;
- 8 2. hepatitis C; and
- 9 3. rheumatoid arthritis.

10 **(4) “DISPENSING PHYSICIAN” MEANS A PHYSICIAN LICENSED IN THE**

11 **STATE WHO HOLDS A VALID DISPENSING PERMIT UNDER TITLE 12, SUBTITLE 1 OF**

12 **THE HEALTH OCCUPATIONS ARTICLE.**

13 **[(3)] (5)** “Managed care system” means a system of cost containment

14 methods that an insurer, a nonprofit health service plan, or a health maintenance

15 organization uses to review and preauthorize drugs prescribed by a health care provider

16 for a covered individual to control utilization, quality, and claims.

17 **[(4)] (6)** (i) “Rare medical condition” means a disease or condition that

18 affects fewer than:

- 19 1. 200,000 individuals in the United States; or
- 20 2. approximately 1 in 1,500 individuals worldwide.

21 (ii) “Rare medical condition” includes:

- 22 1. cystic fibrosis;
- 23 2. hemophilia; and
- 24 3. multiple myeloma.

25 **[(5)] (7)** (i) “Specialty drug” means a prescription drug that:

- 26 1. is prescribed for an individual with a complex or chronic
- 27 medical condition or a rare medical condition;

- 1 2. costs \$600 or more for up to a 30–day supply;
- 2 3. is not typically stocked at retail pharmacies; and
- 3 4. A. requires a difficult or unusual process of delivery to
4 the patient in the preparation, handling, storage, inventory, or distribution of the drug; or
- 5 B. requires enhanced patient education, management, or
6 support, beyond those required for traditional dispensing, before or after administration of
7 the drug.
- 8 (ii) “Specialty drug” does not include a prescription drug prescribed
9 to treat diabetes, HIV, or AIDS.

10 (d) **(1)** Subject to § 15–805 of this subtitle [and], notwithstanding § 15–806 of
11 this subtitle, **AND EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
12 nothing in this article or regulations adopted under this article precludes an entity subject
13 to this section from requiring a covered specialty drug to be obtained through:

14 **[(1)] (I)** a designated pharmacy or other source authorized under the
15 Health Occupations Article to dispense or administer prescription drugs; or

16 **[(2)] (II)** a pharmacy participating in the entity’s provider network, if the
17 entity determines that the pharmacy:

18 **[(i)] 1.** meets the entity’s performance standards; and

19 **[(ii)] 2.** accepts the entity’s network reimbursement rates.

20 **(2) AN ENTITY SUBJECT TO THIS SECTION SHALL ALLOW AN INSURED**
21 **OR ENROLLEE TO OBTAIN FROM A DISPENSING PHYSICIAN A COVERED SPECIALTY**
22 **DRUG THAT IS A CANCER DRUG.**

23 15–1611.1.

24 **(A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
25 **INDICATED.**

26 **(1) “CANCER DRUG” HAS THE MEANING STATED IN § 15–847 OF THIS**
27 **TITLE.**

28 **(2) “DISPENSING PHYSICIAN” MEANS A LICENSED PHYSICIAN IN THE**
29 **STATE WHO HOLDS A VALID DISPENSING PERMIT UNDER TITLE 12, SUBTITLE 1 OF**
30 **THE HEALTH OCCUPATIONS ARTICLE.**

1 **[(a)] (B)** Except as provided in subsection **[(b)] (C)** of this section, a pharmacy
2 benefits manager may not require that a beneficiary use a specific pharmacy or entity to
3 fill a prescription if:

4 (1) the pharmacy benefits manager or a corporate affiliate of the pharmacy
5 benefits manager has an ownership interest in the pharmacy or entity; or

6 (2) the pharmacy or entity has an ownership interest in the pharmacy
7 benefits manager or a corporate affiliate of the pharmacy benefits manager.

8 **[(b)] (C) (1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
9 **SUBSECTION, A pharmacy benefits manager may require a beneficiary to use a specific**
10 **pharmacy or entity for a specialty drug as defined in § 15–847 of this title.**

11 **(2) A BENEFICIARY SHALL BE ALLOWED TO OBTAIN A CANCER DRUG**
12 **FROM A DISPENSING PHYSICIAN.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
14 policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or
15 after January 1, 2022.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 January 1, 2022.