

Chapter 308

(Senate Bill 823)

AN ACT concerning

Pharmacy Services Administrative Organizations and Pharmacy Benefits Managers – Contracts

FOR the purpose of requiring pharmacy benefits managers or group purchasing organizations, rather than pharmacy services administrative organizations, to submit contracts between pharmacy services administrative organizations and pharmacy benefits managers or group purchasing organizations to the Maryland Insurance Administration; repealing the prohibition on pharmacy services administrative organizations entering into agreements or contracts with pharmacy benefits managers if the organization has not registered with the Maryland Insurance Commissioner; ~~requiring~~ allowing pharmacy services administrative organizations to provide ~~access to, rather than~~ copies of, certain documents to independent pharmacies in an electronic or paper format; and generally relating to pharmacy services administrative organizations and pharmacy benefits managers.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 15–1628, 15–2004, 15–2010, and 15–2011

Annotated Code of Maryland

(2017 Replacement Volume and 2021 Supplement)

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

Article – Insurance

15–1628.

(a) (1) At the time of entering into a contract with a pharmacy or a pharmacist, and at least 30 working days before any contract change, a pharmacy benefits manager shall disclose to the pharmacy or pharmacist:

- (i) the applicable terms, conditions, and reimbursement rates;
- (ii) the process and procedures for verifying pharmacy benefits and beneficiary eligibility;
- (iii) the dispute resolution and audit appeals process; and
- (iv) the process and procedures for verifying the prescription drugs included on the formularies used by the pharmacy benefits manager.

(2) (i) This paragraph does not apply to a requirement that a specialty pharmacy obtain national certification to be considered a specialty pharmacy in a pharmacy benefits manager's or carrier's network.

(ii) For purposes of credentialing a pharmacy or a pharmacist as a condition for participating in a pharmacy benefits manager's network for a carrier, the pharmacy benefits manager may not:

1. require a pharmacy or pharmacist to renew credentialing more frequently than once every 3 years; or
2. charge a pharmacy or pharmacist a fee for the initial credentialing or renewing credentialing.

(b) (1) Each contract form or an amendment to a contract form between a pharmacy benefits manager and a pharmacy **OR A PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION, AS DEFINED IN § 15-2001 OF THIS TITLE, ACTING ON BEHALF OF A PHARMACY** may not become effective unless at least 30 days before the contract form or amendment to the contract form is to become effective, the pharmacy benefits manager files an informational filing with the Commissioner in the manner required by the Commissioner that includes a copy of the contract form or amendment to the contract form.

(2) The Commissioner is not required to review the informational filing to evaluate whether a contract form or amendment to a contract form is in violation of this subtitle at the time the informational filing is made.

(3) The Commissioner may review and disapprove a contract form or amendment to a contract form at any time after the contract form or amendment to the contract form has been submitted as part of an informational filing.

15-2004.

A pharmacy services administrative organization that has not registered with the Commissioner may not enter into an agreement or a contract with an independent pharmacy [or a pharmacy benefits manager].

15-2010.

(a) A pharmacy services administrative contract or an amendment to a pharmacy services administrative contract [or a contract or an amendment to a contract between a pharmacy services administrative organization, on behalf of an independent pharmacy, and a pharmacy benefits manager or group purchasing organization] may not become effective unless:

(1) at least 60 days before the contract or amendment is to become effective, the pharmacy services administrative organization files the contract or, if required, amendment with the Commissioner in the form required by the Commissioner; and

(2) the Commissioner does not disapprove the filing within 60 days after the contract or amendment is filed.

(b) Notice from the Commissioner that a filed contract or amendment to a contract may be used in the State constitutes a waiver of any unexpired part of the filing period.

(c) The Commissioner shall adopt regulations to:

(1) establish the circumstances under which the Commissioner may disapprove a contract; and

(2) specify the types of amendments to a contract required to be filed under subsection (a) of this section.

15–2011.

(a) A pharmacy services administrative contract shall include a provision that requires the pharmacy services administrative organization to provide to the independent pharmacy ~~in~~ AN ELECTRONIC OR PAPER copy of ~~ACCESS TO~~ any contracts, amendments, payment schedules, or reimbursement rates within 5 working days after the execution of a contract, or an amendment to a contract, signed on behalf of the independent pharmacy by the pharmacy services administrative organization.

(b) A pharmacy services administrative contract may prohibit an independent pharmacy from disclosing the documents provided to the independent pharmacy under subsection (a) of this section to any competitor of the pharmacy services administrative organization.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

Approved by the Governor, May 12, 2022.