

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1015 (Delegates K. Young and Krebs)
Health and Government Operations

**Pharmacy Benefits Managers - Prohibitions Related to Reimbursement and Use
of Specific Pharmacy Requirement - Application**

This bill repeals the authority of a pharmacy benefits manager (PBM) that provides pharmacy benefits management services on behalf of a carrier to require a beneficiary to use a specific pharmacy or entity for a specialty drug. The bill also specifies that the prohibition against a PBM reimbursing a pharmacy or pharmacist in an amount less than the PBM reimburses itself or an affiliate for the same product or service applies to all reimbursement paid by a PBM that provides pharmacy benefits management services on behalf of a carrier.

Fiscal Summary

State Effect: Any additional workload on the Maryland Insurance Administration (MIA) can be absorbed with existing budgeted resources. Revenues are not affected. No impact on the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law: A PBM is a business that administers and manages prescription drug benefit plans. A PBM must register with MIA prior to providing pharmacy benefits management services.

A PBM that provides pharmacy benefits management services on behalf of a carrier may not require that a beneficiary use a specific pharmacy or entity to fill a prescription if the PBM (or a corporate affiliate) has an ownership interest in the pharmacy or entity or vice versa. A PBM may require a beneficiary to use a specific pharmacy or entity for a specialty drug.

A PBM that provides pharmacy benefits management services on behalf of a carrier may not reimburse a pharmacy or pharmacist for a pharmaceutical product or pharmacist service in an amount less than the amount that the PBM reimburses itself or an affiliate for providing the same product or service. This prohibition does not apply to reimbursement for specialty drugs, mail order drugs, or to a chain pharmacy with more than 15 stores or a pharmacist who is an employee of the chain pharmacy.

Small Business Effect: Small business pharmacies likely benefit from additional reimbursement under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2022
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