

Chapter 405

(House Bill 1397)

AN ACT concerning

**Health Insurance – Prescription Insulin Drugs – Limits on Copayment and
Coinsurance
(Insulin Cost Reduction Act)**

FOR the purpose of requiring certain insurers, nonprofit health service plans, and health maintenance organizations to limit the amount a covered individual is required to pay in copayments or coinsurance for a covered prescription insulin drug to a certain amount; and generally relating to coverage for prescription insulin drugs under health insurance.

BY adding to

Article – Insurance

Section 15–822.1

Annotated Code of Maryland

(2017 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 15–847.1

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

15–822.1.

(A) (1) THIS SECTION APPLIES TO:

(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES TO INDIVIDUALS OR GROUPS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE DELIVERED IN THE STATE; AND

(II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES TO INDIVIDUALS OR GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

(2) AN INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A PHARMACY BENEFITS MANAGER IS SUBJECT TO THE REQUIREMENTS OF THIS SECTION.

(B) AN ENTITY SUBJECT TO THIS SECTION SHALL LIMIT THE AMOUNT A COVERED INDIVIDUAL IS REQUIRED TO PAY IN COPAYMENTS OR COINSURANCE FOR A COVERED PRESCRIPTION INSULIN DRUG TO NOT MORE THAN \$30 FOR A 30-DAY SUPPLY, REGARDLESS OF THE AMOUNT OR TYPE OF INSULIN NEEDED TO FILL THE COVERED INDIVIDUAL'S PRESCRIPTION.

(C) AN ENTITY SUBJECT TO THIS SECTION MAY SET THE AMOUNT A COVERED INDIVIDUAL IS REQUIRED TO PAY TO AN AMOUNT THAT IS LESS THAN THE PAYMENT AMOUNT LIMIT UNDER SUBSECTION (B) OF THIS SECTION.

(D) A CONTRACT BETWEEN AN ENTITY SUBJECT TO THIS SECTION, OR A PHARMACY BENEFITS MANAGER THROUGH WHICH THE ENTITY PROVIDES COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES, AND A PHARMACY OR THE PHARMACY'S CONTRACTING AGENT, MAY NOT:

(1) AUTHORIZE A PARTY TO THE CONTRACT TO CHARGE A COVERED INDIVIDUAL AN AMOUNT THAT IS MORE THAN THE PAYMENT AMOUNT LIMIT UNDER SUBSECTION (B) OF THIS SECTION;

(2) REQUIRE A PHARMACY TO COLLECT FROM A COVERED INDIVIDUAL AN AMOUNT THAT IS MORE THAN THE PAYMENT AMOUNT LIMIT UNDER SUBSECTION (B) OF THIS SECTION; OR

(3) REQUIRE A COVERED INDIVIDUAL TO PAY AN AMOUNT THAT IS MORE THAN THE PAYMENT AMOUNT LIMIT UNDER SUBSECTION (B) OF THIS SECTION.

15-847.1.

(a) This section applies to:

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

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

(b) (1) Subject to paragraph (2) of this subsection AND § 15-822.1 OF THIS SUBTITLE, an entity subject to this section may not impose a copayment or coinsurance requirement on a prescription drug prescribed to treat diabetes, HIV, or AIDS that exceeds \$150 for up to a 30-day supply of the drug.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2023.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2023.

Approved by the Governor, May 16, 2022.