

HOUSE BILL 1355

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By: **Delegates Cox, Boteler, Hornberger, McComas, and Thiam**

Introduced and read first time: February 11, 2022

Assigned to: Health and Government Operations

A BILL ENTITLED

AN ACT concerning

Health Insurance – Prescription Insulin Drugs – Limits on Copayment and Coinsurance

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; requiring the Prescription Drug Affordability Board to conduct a certain cost review of prescription insulin drug products; and generally relating to the pricing and health insurance coverage of prescription insulin drugs.

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:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES TO INDIVIDUALS OR GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR 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.

(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:

(a) The Prescription Drug Affordability Board shall conduct a cost review to determine whether the pricing of prescription insulin drug products has led or will lead to affordability challenges for the State health care system or high out–of–pocket costs for patients.

(b) (1) On or before January 1, 2024, the Prescription Drug Affordability Board shall submit a report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the findings and recommendations from the cost review required under subsection (a) of this section.

(2) The report required under this subsection shall include:

(i) a summary of insulin drug product pricing practices and how the pricing practices impact the pricing of health insurance plans;

(ii) public policy recommendations, including any recommended legislation, to control and prevent overpricing of prescription insulin drug products made available to consumers in the State; and

(iii) any additional information the Board finds relevant from its cost review of prescription insulin drug products.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of 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 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2022.