

HB0813/873820/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 813

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, at the top of the page, strike “EMERGENCY BILL”; in the sponsor line, strike “**and A. Johnson**” and substitute “**, A. Johnson, Alston, Bagnall, Bhandari, Cullison, Guzzone, Hill, Hutchinson, Kaiser, Kerr, Kipke, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Rosenberg, Ross, Szeliga, Taveras, White Holland, Woods, and Woorman**”; strike in their entirety lines 2 and 3 and substitute “**Maryland Insurance Administration and Maryland Department of Health – Workgroup to Study Pharmacy Benefits Managers**”; strike beginning with “altering” in line 4 down through “organizations” in line 10 and substitute “**requiring the Maryland Insurance Administration and the Maryland Department of Health to convene a workgroup to study certain issues related to pharmacy benefits managers and report to certain committees on or before a certain date**”; and in line 10, strike “pharmacy benefits administration” and substitute “**a workgroup to study pharmacy benefits managers**”.

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 11 on page 1 through line 29 on page 3, inclusive, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Maryland Insurance Administration and the Maryland Department of Health shall:

(1) convene a workgroup of interested stakeholders, including community pharmacies from both chain and independent settings, pharmacy services administrative organizations, pharmacists, pharmacy benefits managers, and managed care organizations and third-party experts in the field of drug pricing in Medicaid;

(2) review reimbursement for pharmacists, including:

HB0813/873820/01 Health and Government Operations Committee
Amendments to HB 813
Page 2 of 3

(i) existing Maryland Medical Assistance Program requirements for pharmacy benefits managers and managed care organizations related to dispensing fee reimbursement, pharmacy benefits managers fees charged to pharmacies and the Maryland Medical Assistance Program, transparency in pricing and reimbursement data, specialty drug designations, and appeals processes;

(ii) how other states' pharmacy benefits services operate in Medicaid, including in Ohio, Kentucky, New York, California, and West Virginia;

(iii) measures that offset the Department's costs to fund the Medicaid Managed Care Program and adopt NADAC + the Fee-for-Service Professional Dispensing, including:

1. savings associated with NADAC ingredient cost pricing and managed care organizations; and

2. pharmacy benefits managers administrative fee consolidation and rebate allocations; and

(iv) strategies for adopting pharmacy reimbursement parity and drug pricing transparency;

(3) review coverage requirements for specialty drugs, including:

(i) which drugs are considered specialty for purposes of formularies across carriers and pharmacy benefits managers; and

(ii) what these drugs have in common for purposes of developing a new definition for "specialty drug";

(4) review ERISA exemptions for pharmacy benefits management regulation, including:

(i) the scope of Rutledge v. Pharmaceutical Care Management Association and subsequent case law and federal guidance;

(ii) how other states have responded to the Rutledge decision; and

HB0813/873820/01 Health and Government Operations Committee
Amendments to HB 813
Page 3 of 3

(iii) what, if any, other State laws should be amended;

(5) on or before December 31, 2025, submit an interim report on their findings and recommendations to the Senate Finance Committee and the House Health and Government Operations Committee, in accordance with § 2-1257 of the State Government Article; and

(6) on or before December 31, 2026, submit a final report on their findings and recommendations to the Senate Finance Committee and the House Health and Government Operations Committee, in accordance with § 2-1257 of the State Government Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2025.”.