

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 921  
Finance

(Senator Gile)

---

**Health Insurance - Step Therapy or Fail-First Protocols - Drugs to Treat  
Associated Conditions of Advanced Metastatic Cancer**

---

This bill prohibits certain insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) from imposing a step therapy or fail-first protocol for a prescription drug approved by the U.S. Food and Drug Administration (FDA) that is used to treat a symptom or side effect of stage four advanced metastatic cancer, as specified. **The bill takes effect January 1, 2026, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

---

**Fiscal Summary**

**State Effect:** Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee in FY 2026 only. Review of filings can likely be handled with existing MIA resources. No likely impact on the State Employee and Retiree Health and Welfare Benefits Program.

**Local Effect:** Any impact on local governments with fully insured health benefit plans is assumed to be minimal.

**Small Business Effect:** None.

---

**Analysis**

**Bill Summary/Current Law:** Chapters 316 and 317 of 2014 established requirements for step therapy or fail-first protocols imposed by carriers, including carriers that provide coverage for prescription drugs through a pharmacy benefits manager (PBM). “Step

therapy or fail-first protocol” means a protocol established by a carrier that requires a prescription drug or sequence of prescription drugs to be used by an insured or enrollee before a prescription drug ordered by a prescriber is covered.

Under current law, a step therapy or fail-first protocol may not be imposed if the step therapy drug has not been FDA-approved for the medical condition being treated or a prescriber provides supporting medical information to the carrier or PBM that a prescription drug covered by the carrier or PBM (1) was ordered for the insured or enrollee within the past 180 days and (2) based on the professional judgment of the prescriber, was effective in treating the insured or enrollee. These requirements for step therapy or fail-first protocols may not be construed to require coverage for a prescription drug that is not covered by the policy or contract or otherwise required to be covered by law.

Under current law, a carrier may not impose a step therapy or fail-first protocol on an insured or enrollee for an FDA-approved prescription drug that is used to treat the insured’s or enrollee’s stage four advanced metastatic cancer if the use of the drug is supported by peer-reviewed medical literature and is consistent with the FDA-approved indication or the National Comprehensive Cancer Network Drugs & Biologics Compendium indication for the treatment of stage four metastatic cancer.

The bill expands the prohibition on step therapy or fail-first protocols for a prescription drug used to treat stage four advanced metastatic cancer to include drugs used to treat *a symptom or side effect* of stage four advanced metastatic cancer that the treating provider determines will negatively impact the insured’s or enrollee’s health if left untreated. Use of the prescription drug must be consistent with best practices for the treatment of stage four advanced metastatic cancer, or a condition or side effect associated with stage four advanced metastatic cancer and supported by peer-reviewed medical literature.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1087 (Delegates Bhandari and Woods) - Health and Government Operations.

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

**Fiscal Note History:** First Reader - February 24, 2025  
km/ljm

---

Analysis by: Jennifer B. Chasse

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510