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SB 823

Pharmacy Services Administrative Organizations and Pharmacy Benefit Managers-Contracts

Position of Independent Pharmacies of MD (IPMD): Favorable with Amendments

Independent, community pharmacies have only one issue with the bill. Currently, section 15-2011 (a) requires a PSAO to provide to an independent pharmacy a copy of any contracts, reimbursement rates and payment schedules, signed on behalf of the pharmacy by the PSAO. In signing a contract on behalf of the pharmacy, the PSAO is acting as an agent of the pharmacy. As I practicing attorney, I am not aware of any situation where a copy of a contract signed by an agent would not be provided automatically, as a matter of course.

However, SB 823 changes that requirement to one in which the pharmacy can ask for the contract, assuming that it even knows when and what to ask for, or that a contract or reimbursement schedule was entered into on its behalf. It would no longer be provided with the contract as a matter of course, as it should be, so that it knows exactly what its contractual obligations are.

The sponsor of the cross-filed bill in the House, Delegate Kelly, has agreed to offer the attached amendment to correct this problem. And to make it a simple task for a PSAO, the amendment would allow either an electronic or paper copy of the contract to be provided.

IPMD requests a favorable report with the amendment.

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HB0973/213123/1

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES

08 MAR 22  
20:04:12

BY: Delegate Kelly

(To be offered in the Health and Government Operations  
Committee)

AMENDMENTS TO HOUSE BILL 973  
(First Reading File Bill)

(SB 823)

AMENDMENT NO. 1

On page 1, in line 11, strike “requiring” and substitute “allowing”; in line 12, strike “access to, rather than”; in the same line, strike the second comma; and in line 13, after “pharmacies” insert “in an electronic or paper format”.

AMENDMENT NO. 2

On page 3, in line 24, strike the brackets; in the same line, strike “a” and substitute “AN ELECTRONIC OR PAPER”; and in the same line, strike “ACCESS TO”.