

# HOUSE BILL 589

C3

9lr1499  
CF 9lr3083

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By: **Delegates Barron and Kipke**

Introduced and read first time: February 4, 2019

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program and Managed Care Organizations That**  
3 **Use Pharmacy Benefits Managers – Reimbursement Requirements**

4 FOR the purpose of requiring the Maryland Medical Assistance Program to establish  
5 certain reimbursement levels for certain drug products; providing that certain  
6 provisions of this Act apply to managed care organizations that use pharmacy  
7 benefits managers to manage prescription drug coverage; requiring a pharmacy  
8 benefits manager that contracts with a pharmacy on behalf of a managed care  
9 organization to reimburse the pharmacy an amount that is at least equal to a certain  
10 cost plus a certain fee; and generally relating to the Maryland Medical Assistance  
11 Program and managed care organizations that use pharmacy benefits managers.

12 BY repealing and reenacting, with amendments,  
13 Article – Health – General  
14 Section 15–118(b)  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume and 2018 Supplement)

17 BY adding to  
18 Article – Health – General  
19 Section 15–118(f)  
20 Annotated Code of Maryland  
21 (2015 Replacement Volume and 2018 Supplement)

22 BY adding to  
23 Article – Insurance  
24 Section 15–1632  
25 Annotated Code of Maryland  
26 (2017 Replacement Volume and 2018 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



That the Laws of Maryland read as follows:

**Article – Health – General**

15–118.

(b) (1) Except as provided under paragraph (2) of this subsection, the Program shall establish [maximum] **THE FOLLOWING** reimbursement levels for the drug products for which there is a generic equivalent authorized under § 12–504 of the Health Occupations Article[, based on the cost of the generic product]:

**(I) MINIMUM REIMBURSEMENT LEVELS AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST OF THE GENERIC PRODUCT PLUS THE FEE–FOR–SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE MOST RECENT IN–STATE COST–OF–DISPENSING SURVEY; AND**

**(II) MAXIMUM REIMBURSEMENT LEVELS, AS DETERMINED APPROPRIATE BY THE PROGRAM.**

(2) If a prescriber directs a specific brand name drug, the reimbursement level shall be based on the [cost] **NATIONAL AVERAGE DRUG ACQUISITION COST** of the brand name product.

**(F) THE PROVISIONS OF § 15–1632 OF THE INSURANCE ARTICLE APPLY TO A MANAGED CARE ORGANIZATION THAT USES A PHARMACY BENEFITS MANAGER TO MANAGE PRESCRIPTION DRUG COVERAGE BENEFITS ON BEHALF OF THE MANAGED CARE ORGANIZATION.**

**Article – Insurance**

15–1632.

**A PHARMACY BENEFITS MANAGER THAT CONTRACTS WITH A PHARMACY ON BEHALF OF A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15–101 OF THE HEALTH – GENERAL ARTICLE, SHALL REIMBURSE THE PHARMACY AN AMOUNT THAT IS AT LEAST EQUAL TO THE NATIONAL AVERAGE DRUG ACQUISITION COST PLUS THE FEE–FOR–SERVICE PROFESSIONAL DISPENSING FEE DETERMINED BY THE MARYLAND DEPARTMENT OF HEALTH FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM IN ACCORDANCE WITH THE MOST RECENT IN–STATE COST–OF–DISPENSING SURVEY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.