

SENATE BILL 823

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CF HB 973

By: **Senator Kramer**

Introduced and read first time: February 7, 2022

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2022

CHAPTER _____

1 AN ACT concerning

2 **Pharmacy Services Administrative Organizations and Pharmacy Benefits**
3 **Managers – Contracts**

4 FOR the purpose of requiring pharmacy benefits managers or group purchasing
5 organizations, rather than pharmacy services administrative organizations, to
6 submit contracts between pharmacy services administrative organizations and
7 pharmacy benefits managers or group purchasing organizations to the Maryland
8 Insurance Administration; repealing the prohibition on pharmacy services
9 administrative organizations entering into agreements or contracts with pharmacy
10 benefits managers if the organization has not registered with the Maryland
11 Insurance Commissioner; ~~requiring~~ allowing pharmacy services administrative
12 organizations to provide ~~access to, rather than~~ copies of, certain documents to
13 independent pharmacies in an electronic or paper format; and generally relating to
14 pharmacy services administrative organizations and pharmacy benefits managers.

15 BY repealing and reenacting, with amendments,
16 Article – Insurance
17 Section 15–1628, 15–2004, 15–2010, and 15–2011
18 Annotated Code of Maryland
19 (2017 Replacement Volume and 2021 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 15-1628.

2 (a) (1) At the time of entering into a contract with a pharmacy or a pharmacist,
3 and at least 30 working days before any contract change, a pharmacy benefits manager
4 shall disclose to the pharmacy or pharmacist:

5 (i) the applicable terms, conditions, and reimbursement rates;

6 (ii) the process and procedures for verifying pharmacy benefits and
7 beneficiary eligibility;

8 (iii) the dispute resolution and audit appeals process; and

9 (iv) the process and procedures for verifying the prescription drugs
10 included on the formularies used by the pharmacy benefits manager.

11 (2) (i) This paragraph does not apply to a requirement that a specialty
12 pharmacy obtain national certification to be considered a specialty pharmacy in a pharmacy
13 benefits manager's or carrier's network.

14 (ii) For purposes of credentialing a pharmacy or a pharmacist as a
15 condition for participating in a pharmacy benefits manager's network for a carrier, the
16 pharmacy benefits manager may not:

17 1. require a pharmacy or pharmacist to renew credentialing
18 more frequently than once every 3 years; or

19 2. charge a pharmacy or pharmacist a fee for the initial
20 credentialing or renewing credentialing.

21 (b) (1) Each contract form or an amendment to a contract form between a
22 pharmacy benefits manager and a pharmacy **OR A PHARMACY SERVICES**
23 **ADMINISTRATIVE ORGANIZATION, AS DEFINED IN § 15-2001 OF THIS TITLE, ACTING**
24 **ON BEHALF OF A PHARMACY** may not become effective unless at least 30 days before the
25 contract form or amendment to the contract form is to become effective, the pharmacy
26 benefits manager files an informational filing with the Commissioner in the manner
27 required by the Commissioner that includes a copy of the contract form or amendment to
28 the contract form.

29 (2) The Commissioner is not required to review the informational filing to
30 evaluate whether a contract form or amendment to a contract form is in violation of this
31 subtitle at the time the informational filing is made.

32 (3) The Commissioner may review and disapprove a contract form or
33 amendment to a contract form at any time after the contract form or amendment to the
34 contract form has been submitted as part of an informational filing.

1 15–2004.

2 A pharmacy services administrative organization that has not registered with the
3 Commissioner may not enter into an agreement or a contract with an independent
4 pharmacy [or a pharmacy benefits manager].

5 15–2010.

6 (a) A pharmacy services administrative contract or an amendment to a pharmacy
7 services administrative contract [or a contract or an amendment to a contract between a
8 pharmacy services administrative organization, on behalf of an independent pharmacy, and
9 a pharmacy benefits manager or group purchasing organization] may not become effective
10 unless:

11 (1) at least 60 days before the contract or amendment is to become effective,
12 the pharmacy services administrative organization files the contract or, if required,
13 amendment with the Commissioner in the form required by the Commissioner; and

14 (2) the Commissioner does not disapprove the filing within 60 days after
15 the contract or amendment is filed.

16 (b) Notice from the Commissioner that a filed contract or amendment to a
17 contract may be used in the State constitutes a waiver of any unexpired part of the filing
18 period.

19 (c) The Commissioner shall adopt regulations to:

20 (1) establish the circumstances under which the Commissioner may
21 disapprove a contract; and

22 (2) specify the types of amendments to a contract required to be filed under
23 subsection (a) of this section.

24 15–2011.

25 (a) A pharmacy services administrative contract shall include a provision that
26 requires the pharmacy services administrative organization to provide to the independent
27 pharmacy ~~for~~ AN ELECTRONIC OR PAPER copy of ~~it~~ ~~ACCESS TO~~ any contracts,
28 amendments, payment schedules, or reimbursement rates within 5 working days after the
29 execution of a contract, or an amendment to a contract, signed on behalf of the independent
30 pharmacy by the pharmacy services administrative organization.

31 (b) A pharmacy services administrative contract may prohibit an independent
32 pharmacy from disclosing the documents provided to the independent pharmacy under
33 subsection (a) of this section to any competitor of the pharmacy services administrative
34 organization.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.