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**BULLETIN 19-11**  
**Replaces Bulletin 19-04**

**To:** All Pharmacy Benefit Managers, and Insurance Companies, Non-profit Health Insurance Plans, and Health Maintenance Organizations that use Pharmacy Benefit Managers

**Re:** **Maryland HB 754, Emergency Bill, Effective May 13, 2019**

**Date:** July 12, 2019

*This Bulletin replaces Life and Health Bulletin 19-04, which was issued on May 13, 2019 regarding House Bill 754, Acts of 2019. The major changes from the prior Bulletin are to extend the initial filing date for new and existing contract templates to August 9, 2019, and to provide clarification on the transitional period for existing in force contracts.*

The purpose of this Bulletin is to provide guidance to pharmacy benefit managers (PBMs) that provide services to a Purchaser in Maryland under Title 15, Subtitle 16 of the Maryland Insurance Article, Annotated Code of Maryland<sup>1</sup>, as well as to pharmacy services administration organizations (PSAOs), and group purchasing organizations (GPOs). House Bill 754 was passed by the General Assembly during the 2019 Session and became effective on May 13, 2019. This bill institutes a form filing requirement for contracts and amendments a PBM, PSAO, or GPO makes with a Contracted Pharmacy related to prescriptions dispensed to an insured enrollee or member or State employee.<sup>2</sup>

The Participating Pharmacy Contracts in § 15-1601(h-1) include contracts between a PBM and a pharmacy, a PSAO and a pharmacy, and a GPO and a pharmacy. Per § 15-1628(b) a PBM, PSAO, or GPO must file any contract or amendment to such contract with the Maryland Insurance Administration (MIA) for review at least 30 days before it can become effective. The MIA also requests that PBMs file with the MIA contracts they have with PSAOs, if the PSAO makes payment on behalf of the PBM to a contracting pharmacy.

PBMs, PSAOs, and GPOs are requested to file their new and existing contract templates as individual form filings pursuant to HB 754 by August 9, 2019.

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<sup>1</sup> Unless otherwise noted all statutory references are to the Insurance Article, Annotated Code of Maryland.

<sup>2</sup> These requirements only apply to plans sold through a Purchaser per §§ 15-1601(o) and 15-1604(a).

The MIA will allow a transitional period for PBMs, PSAOs, and GPOs to amend and file existing in force contracts. Existing in force contracts are those contracts that became effective prior to the effective date of House Bill 754, May 13, 2019. During the transitional period of time, which shall end on December 31, 2019, existing in force contracts will be considered in effect and read consistent with HB 754 and, that pursuant to Chapter 262 of the 2008 Chapter Laws of Maryland, any contract change requires 30 working days notice.

Insurers, nonprofit health service plans, and health maintenance organizations are reminded of the applicability of §§ 15-1008, 15-1009, 27-303(2), 27-304(4), and (15).

Questions about this Bulletin may be directed to the Life/Health Section of the Maryland Insurance Administration at 410-468-2170.

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By:   
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