

DRAFT HB 754 BULLETIN LANGUAGE
FOR WORKGROUP #2 DISCUSSION

The purpose of this Bulletin is to provide guidance to pharmacy benefit managers (PBM) that provide services to a Purchaser in Maryland under Title 15, Subtitle 16 of the Maryland Insurance Article, Annotated Code of Maryland¹, 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. This bill institutes a form filing requirement for contracts and amendments through a PBM,PSAO, or GPO makes with a Contracted Pharmacy related to prescriptions dispensed to an insured enrollee or member or State employee.²

The Participating Pharmacy Contracts in section § 15-1601(h-1) includes contracts between a PBM and a pharmacy, a pharmacy services administration organization (“PSAO”), a group purchasing organization (“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 PSAOs make payment from the PBM to a contracting pharmacy.

Contracting parties are requested to file their new contract templates as individual form filings pursuant to HB 754 within 60 calendar days of the effective date of the bill.

The MIA recognizes that contracting parties will require a period of time to amend existing contracts in order to comply with the new law, as well as all other applicable provisions of both HB 754 and HB 1349 of the 2018 General Assembly session by the effective date of HB 754. Therefore, the MIA will allow a transitional period for PBMs, PSAOs, and GPOs to file in force contracts. In that regard, existing contracts will be considered in effect and read consistent with HB 754.

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

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

² These requirements only apply to plans sold through a Purchaser per § 15-1603(o).