

SENATE BILL 709

C3

1lr1475
CF HB 251

By: **Senators Klausmeier, Forehand, Middleton, Montgomery, and Pugh**
Introduced and read first time: February 4, 2011
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Prescription Drugs – Cost-Sharing Obligations**

3 FOR the purpose of prohibiting certain insurers, nonprofit health service plans, and
4 health maintenance organizations from imposing a cost-sharing obligation for a
5 covered prescription drug that exceeds a certain dollar amount; authorizing an
6 increase in the cost-sharing obligation according to a certain frequency and by a
7 certain amount; providing for a certain exception; defining a certain term;
8 making the provisions of this Act applicable to health maintenance
9 organizations; providing for the application of this Act; and generally relating to
10 limitations on cost-sharing obligations for prescription drugs.

11 BY adding to

12 Article – Insurance
13 Section 15–845
14 Annotated Code of Maryland
15 (2006 Replacement Volume and 2010 Supplement)

16 BY adding to

17 Article – Health – General
18 Section 19–706(kkkk)
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2010 Supplement)

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

23 **Article – Insurance**

24 **15–845.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (A) (1) IN THIS SECTION, “COST-SHARING OBLIGATION” MEANS A
2 COPAYMENT OR COINSURANCE REQUIREMENT UNDER A POLICY OR CONTRACT
3 ISSUED OR DELIVERED IN THE STATE BY AN ENTITY SUBJECT TO THIS SECTION.

4 (2) “COST-SHARING OBLIGATION” DOES NOT INCLUDE ANY
5 DEDUCTIBLE REQUIREMENT UNDER A POLICY OR CONTRACT ISSUED OR
6 DELIVERED IN THE STATE BY AN ENTITY SUBJECT TO THIS SECTION.

7 (B) THIS SECTION APPLIES TO:

8 (1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT
9 PROVIDE COVERAGE FOR PRESCRIPTION DRUGS UNDER HEALTH INSURANCE
10 POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

11 (2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE
12 COVERAGE FOR PRESCRIPTION DRUGS UNDER CONTRACTS THAT ARE ISSUED
13 OR DELIVERED IN THE STATE.

14 (C) (1) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,
15 AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE A COST-SHARING
16 OBLIGATION THAT EXCEEDS \$100 FOR A MONTH’S SUPPLY OF A COVERED
17 PRESCRIPTION DRUG.

18 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, AN
19 ENTITY SUBJECT TO THIS SECTION MAY INCREASE THE COST-SHARING
20 OBLIGATION UNDER PARAGRAPH (1) OF THIS SUBSECTION TO AN AMOUNT THAT
21 EXCEEDS \$100:

22 (I) NOT MORE THAN ONCE ANNUALLY; AND

23 (II) BY AN AMOUNT THAT DOES NOT EXCEED THE
24 PERCENTAGE CHANGE IN THE MEDICAL COMPONENT OF THE MARCH
25 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, MEDICAL CARE
26 COMPONENT, WASHINGTON-BALTIMORE, FROM THE U.S. DEPARTMENT OF
27 LABOR, BUREAU OF LABOR STATISTICS.

28 (D) SUBSECTION (C) OF THIS SECTION DOES NOT APPLY TO A MONTH’S
29 SUPPLY OF A BRAND-NAME DRUG FOR WHICH A GENERIC EQUIVALENT, AS
30 DEFINED BY THE U.S. FOOD AND DRUG ADMINISTRATION’S “APPROVED DRUG
31 PRODUCTS WITH THERAPEUTIC EQUIVALENCE EVALUATIONS”, IS AVAILABLE.

32 Article – Health – General

1 **(KKKK) THE PROVISIONS OF § 15-845 OF THE INSURANCE ARTICLE**
2 **APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
4 policies, contracts, and health benefit plans issued, delivered, or renewed in the State
5 on or after October 1, 2011.

6 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2011.