

BY adding to

Article - Health - General

Section 19-706 (rr)

Annotated Code of Maryland

(2000 Replacement Volume)

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

Article - Insurance

15-130.

(A) (1) THIS SECTION APPLIES TO:

(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS ~~AND DEVICES~~ ON AN OUTPATIENT BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE;

(II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS ~~AND DEVICES~~ ON AN OUTPATIENT BASIS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE;

(III) MANAGED CARE ORGANIZATIONS, AS DEFINED IN § 15-101 OF THE HEALTH - GENERAL ARTICLE, THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS ~~AND DEVICES~~ ON AN OUTPATIENT BASIS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

~~(IV) INSURERS, NONPROFIT HEALTH SERVICE PLANS, HEALTH MAINTENANCE ORGANIZATIONS, AND MANAGED CARE ORGANIZATIONS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A PHARMACY BENEFIT MANAGER; AND~~

~~(V) (IV) TO THE EXTENT CONSISTENT WITH STATE AND FEDERAL LAW, THIRD PARTY ADMINISTRATORS.~~

(2) THIS SECTION DOES NOT APPLY TO:

(I) SHORT-TERM TRAVEL OR ACCIDENT-ONLY POLICIES;

(II) SHORT-TERM NONRENEWABLE POLICIES OF NOT MORE THAN 6 MONTHS DURATION; OR

~~(III) HEALTH CARE ENTITIES THAT DO NOT PROVIDE PRESCRIPTION BENEFITS.~~

(III) ANY HEALTH MAINTENANCE ORGANIZATION THAT OPERATES OR MAINTAINS ITS OWN PHARMACIES AND DISPENSES, ON AN ANNUAL BASIS, OVER 95% OF PRESCRIPTION DRUGS ON AN OUTPATIENT BASIS TO ITS ENROLLEES AT ITS OWN PHARMACIES.