

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 1033

(Delegate Taylor, *et al.*)

Health and Government Operations

Finance

Health Insurance - Prescription Drugs and Devices - Copayment or Coinsurance

This bill prohibits insurers, nonprofit health service plans, and health maintenance organizations that provide coverage for prescription drugs and devices through a pharmacy benefits manager from imposing a copayment or coinsurance requirement that exceeds the retail price of the prescription drug or device.

Fiscal Summary

State Effect: The bill codifies existing practice. Potential minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee.

Local Effect: None.

Small Business Effect: Minimal to none.

Analysis

Current Law/Background: Current law does not specifically prohibit imposition of a copayment or coinsurance that exceeds the retail price of a prescription drug or device. The Maryland Insurance Commissioner is required to disapprove any form filed that includes provisions that are inequitable or lack substantial benefit to the subscriber or member. Based on this requirement, MIA requires carriers to write their contracts to state that individuals do not have to pay more than the actual cost of the prescription drug or device. The State Employee and Retiree Health Benefits Plan also prohibits applicable copayments from exceeding the retail price of a drug or device.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Budget and Management, Department of Legislative Services

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ncs/jr

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