

HOUSE BILL 1273

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By: **Delegates Johnson, Acevero, Arikan, Hill, Kelly, Kerr, Kipke, Krebs, R. Lewis, Parrott, Saab, Shetty, Szeliga, and Valderrama**

Introduced and read first time: February 7, 2020

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Audits of Claims by Pharmacies or Pharmacists – Deadlines**

3 FOR the purpose of authorizing a certain carrier, if the carrier conducts a certain audit of
4 a claim by a pharmacy or pharmacist, to audit only claims submitted or adjudicated
5 within a certain period of time immediately preceding the audit except under certain
6 circumstances; altering the time frame during which certain claims must be
7 submitted or adjudicated for the claims to be audited by a pharmacy benefits
8 manager; defining a certain term; making a stylistic change; and generally relating
9 to audits of claims by pharmacies or pharmacists.

10 BY repealing and reenacting, without amendments,
11 Article – Insurance
12 Section 15–141(a)(2) and 15–1629(a) and (b)
13 Annotated Code of Maryland
14 (2017 Replacement Volume and 2019 Supplement)

15 BY adding to
16 Article – Insurance
17 Section 15–144
18 Annotated Code of Maryland
19 (2017 Replacement Volume and 2019 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Insurance
22 Section 15–1629(d)(7)
23 Annotated Code of Maryland
24 (2017 Replacement Volume and 2019 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Insurance

15–141.

(a) (2) “Carrier” means:

(i) an insurer;

(ii) a nonprofit health service plan;

(iii) a health maintenance organization;

(iv) a dental plan organization; or

(v) any other person that provides health benefit plans subject to regulation by the State.

15–144.

(A) IN THIS SECTION, “CARRIER” HAS THE MEANING STATED IN § 15–141 OF THIS SUBTITLE.

(B) IF A CARRIER CONDUCTS AN AUDIT OF A PHARMACY OR PHARMACIST UNDER CONTRACT WITH THE CARRIER, THE CARRIER MAY AUDIT ONLY CLAIMS SUBMITTED OR ADJUDICATED WITHIN THE 11-MONTH PERIOD IMMEDIATELY PRECEDING THE AUDIT, UNLESS A LONGER PERIOD IS AUTHORIZED UNDER FEDERAL OR STATE LAW.

15–1629.

(a) This section does not apply to an audit that involves probable or potential fraud or willful misrepresentation by a pharmacy or pharmacist.

(b) A pharmacy benefits manager shall conduct an audit of a pharmacy or pharmacist under contract with the pharmacy benefits manager in accordance with this section.

(d) When conducting an audit, a pharmacy benefits manager shall:

(7) only audit claims submitted or adjudicated within the [2-year] **11-MONTH** period immediately preceding the audit, unless a longer period is [permitted] **AUTHORIZED** under federal or State law;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.