Chapter 5

(House Bill 243)

AN ACT concerning

Kathleen A. Mathias Chemotherapy Parity Act of 2012

FOR the purpose of prohibiting insurers, nonprofit health service plans, and health maintenance organizations that provide coverage for certain cancer chemotherapy under certain policies or contracts from imposing certain limits or cost sharing on coverage for orally administered cancer chemotherapy that are less favorable to an insured or enrollee than the limits or cost sharing on coverage for cancer chemotherapy that is administered intravenously or by injection; prohibiting the insurers, nonprofit health service plans, and health maintenance organizations from reclassifying cancer chemotherapy or increasing certain out-of-pocket expenses to achieve certain compliance; prohibiting the insurers, nonprofit health service plans, and health maintenance organizations from increasing an out-of-pocket expense applied to cancer chemotherapy under a health insurance policy or contract or a health maintenance organization contract unless the increase also is applied to certain benefits under the policy or contract; making certain provisions of this Act applicable to health maintenance organizations; defining a certain term; providing for the application of this Act; and generally relating to health insurance coverage for cancer chemotherapy.

BY adding to
Article – Insurance
Section 15–846
Annotated Code of Maryland
(2011 Replacement Volume)

BY adding to
Article – Health – General
Section 19–706(llll)
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

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

Article – Insurance

15–846.
(A) In this section, “cancer chemotherapy” means medication that is prescribed by a licensed physician to kill or slow the growth of cancer cells.

(B) This section applies to:

(1) Insurers and nonprofit health service plans that provide coverage for both orally administered cancer chemotherapy and cancer chemotherapy that is administered intravenously or by injection under health insurance policies or contracts that are issued or delivered in the State; and

(2) Health maintenance organizations that provide coverage for both orally administered cancer chemotherapy and cancer chemotherapy that is administered intravenously or by injection under contracts that are issued or delivered in the State.

(C) This section does not apply to a policy or contract issued or delivered by an entity subject to this section that provides the essential health benefits required under § 1302(a) of the Affordable Care Act.

(D) An entity subject to this section may not impose dollar limits, copayments, deductibles, or coinsurance requirements on coverage for orally administered cancer chemotherapy that are less favorable to an insured or enrollee than the dollar limits, copayments, deductibles, or coinsurance requirements that apply to coverage for cancer chemotherapy that is administered intravenously or by injection.

(E) An entity subject to this section may not reclassify cancer chemotherapy or increase a copayment, deductible, coinsurance requirement, or other out-of-pocket expense imposed on cancer chemotherapy to achieve compliance with this section.

(F) An entity subject to this section may not increase an out-of-pocket expense applied to cancer chemotherapy under a health insurance policy or contract or a health maintenance organization contract unless the entity also applies the increase to the majority of comparable medical or pharmaceutical benefits under the policy or contract.
19–706.

(LLLL) THE PROVISIONS OF § 15–846 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans subject to this Act that are issued, delivered, or renewed in the State on or after October 1, 2012.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012.

Approved by the Governor, April 10, 2012.