

# SENATE JOINT RESOLUTION 12

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By: **Senator Klausmeier**

Introduced and read first time: March 2, 2018

Assigned to: Rules

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## SENATE JOINT RESOLUTION

1 A Senate Joint Resolution concerning

2 **Accessibility and Affordability of Prescription Drug Medications in the State**

3 FOR the purpose of declaring that the General Assembly will continue to work in a  
4 deliberate manner to address the accessibility and affordability of prescription drug  
5 medications in the State; providing that a copy of this resolution be forwarded by the  
6 Department of Legislative Services to certain individuals; and generally relating to  
7 the accessibility and affordability of prescription drug medications in the State.

8 WHEREAS, Significant out-of-pocket costs for prescription drugs in the form of  
9 deductibles, copays, and coinsurance decrease the likelihood of a patient's adherence to  
10 treatment, resulting in worse health outcomes for patients and wasteful spending; and

11 WHEREAS, Patient cost-sharing obligations, such as deductibles and coinsurance,  
12 often are calculated based on the list prices of medications; and

13 WHEREAS, Patient costs can be reduced if insurers base drug costs on net prices  
14 that account for manufacturer rebates; and

15 WHEREAS, Step therapy, prior authorization, and other utilization management  
16 techniques used by insurers not only impede patient access to effective and appropriate  
17 treatment, but also place a cumbersome administrative burden on physicians; and

18 WHEREAS, Pharmacy benefit manager practices have greatly impacted the ability  
19 of providers to appropriately treat and effectively care for patients; and

20 WHEREAS, In 2007, the General Assembly passed and Governor O'Malley signed  
21 into law Senate Bill 759 and House Bill 1030, The Wholesale Distributor Permitting and  
22 Prescription Drug Integrity Act, as Chapters 352 and 353 of the Acts of 2007, respectively,  
23 which expand the requirements for a wholesale distributor of prescription drugs or devices  
24 to obtain a State Board of Pharmacy permit and require prescription drugs distributed  
25 outside the normal distribution channel to have a pedigree that records each distribution;  
26 and



1           WHEREAS, In 2008, the General Assembly passed and Governor O'Malley signed  
2 into law House Bill 580 as Chapter 279 of the Acts of 2008, House Bill 257 as Chapter 262  
3 of the Acts of 2008, Senate Bill 722 and House Bill 419 as Chapters 201 and 202 of the Acts  
4 of 2008, respectively, and Senate Bill 723 and House Bill 343 as Chapters 203 and 204 of  
5 the Acts of 2008, respectively, which made Maryland one of the first states to address the  
6 registration and administrative regulation of pharmacy benefit managers by a state  
7 agency; and

8           WHEREAS, In 2008, the General Assembly passed and Governor O'Malley signed  
9 into law House Bill 1395 as Chapter 693 of the Acts of 2008, which requires the Maryland  
10 Department of Health and the Maryland Health Quality and Cost Council to develop a  
11 specified chronic care management plan to improve the quality and cost effectiveness of  
12 care for individuals who have or are at risk for a chronic disease; and

13           WHEREAS, In 2012, the General Assembly passed and Governor O'Malley signed  
14 into law Senate Bill 179 and House Bill 243 as Chapters 4 and 5 of the Acts of 2012,  
15 respectively, which prohibit insurers, nonprofit health service plans, and health  
16 maintenance organizations that provide coverage for both orally administered cancer  
17 chemotherapy and cancer chemotherapy administered intravenously or by injection from  
18 imposing dollar limits, copayments, deductibles, or coinsurance requirements on coverage  
19 for orally administered cancer chemotherapy that are less favorable to an enrollee than  
20 those that apply to cancer chemotherapy administered intravenously or by injection; and

21           WHEREAS, In 2012, the General Assembly passed and Governor O'Malley signed  
22 into law Senate Bill 540 and House Bill 470 as Chapters 534 and 535 of the Acts of 2012,  
23 respectively, which require the Maryland Health Care Commission to work with specified  
24 health care payors and providers to attain benchmarks and automate the process required  
25 by payors for preauthorizing health care services; and

26           WHEREAS, In 2014, the General Assembly passed and Governor O'Malley signed  
27 into law House Bill 761 as Chapter 422 of the Acts of 2014, which prohibits insurers,  
28 nonprofit health service plans, and health maintenance organizations from imposing a  
29 copayment or coinsurance requirement on a covered specialty drug that exceeds \$150 for  
30 up to a 30-day supply; and

31           WHEREAS, In 2017, the General Assembly passed and Governor Hogan signed into  
32 law House Bill 1273 as Chapter 726 of the Acts of 2017, which authorizes a pharmacist to  
33 substitute a lower-cost interchangeable biological product for any brand name drug; and

34           WHEREAS, In 2017, the General Assembly passed and Governor Hogan signed into  
35 law House Bill 584 as Chapter 771 of the Acts of 2017, which permits a manufacturer of an  
36 investigational drug, biological product, or device to provide the investigational drug,  
37 biological product, or device to an eligible patient and allows the manufacturer to provide  
38 the drug, biological product, or device without compensation or charging the patient,  
39 subject to certain limitations; and

1           WHEREAS, In 2017, the General Assembly passed and enacted under Article II,  
2 Section 17(c) of the Maryland Constitution House Bill 631 as Chapter 818 of the Acts of  
3 2017, which prohibits a manufacturer or wholesale distributor from engaging in price  
4 gouging in the sale of an essential off-patent or generic drug; and

5           WHEREAS, The General Assembly has reviewed annual reports since 2007 from the  
6 Maryland Board of Pharmacy regarding the Prescription Drug Repository Program,  
7 following the establishment of the Program in COMAR 10.34.33, effective in 2007; and

8           WHEREAS, The General Assembly over the past 10 years has worked to address the  
9 accessibility and affordability of prescription drug medications in the State; now, therefore,  
10 be it

11           RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the General  
12 Assembly declares that it will continue to work in a deliberate manner to address the  
13 accessibility and affordability of prescription drug medications in the State; and be it  
14 further

15           RESOLVED, That a copy of this Resolution be forwarded by the Department of  
16 Legislative Services to the Honorable Lawrence J. Hogan, Jr., Governor of Maryland; the  
17 Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and the  
18 Honorable Michael E. Busch, Speaker of the House of Delegates.