

By Mr. Palumbo of Newbury, petition of Thomas G. Palumbo relative to accident and health insurance. Insurance.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT FURTHER REGULATING ACCIDENT AND HEALTH INSURANCE.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 175 of the General Laws is hereby  
2 amended by inserting after section 47I the following section: —  
3 Section 47J. No insurer issuing any blanket or general policy  
4 of insurance described in subdivision (A), (B) or (C) of section  
5 one hundred and ten shall require any insured member to purchase  
6 their drugs or medicines from a mail-order pharmacy or firm.

1 SECTION 2. Chapter 176A of the General Laws is hereby  
2 amended by inserting after section 8L the following section: —  
3 Section 8M. No contract between a subscriber and the  
4 corporation shall require the subscriber to purchase his drugs and  
5 medicines from a mail-order pharmacy or firm.

1 SECTION 3. Chapter 176B of the General Laws is hereby  
2 amended by inserting after section 4L the following section: —  
3 Section 4M. No subscription certificate under an individual or  
4 group medical service agreement shall require an individual  
5 subscriber or member to purchase drugs or medicines from a mail-  
6 order pharmacy or firm.

1 SECTION 4. Chapter 176G is hereby amended by inserting  
2 after section 4D the following section: —  
3 Section 4E. No group health maintenance contract shall  
4 require the purchase of drugs or medicines from a mail-order  
5 pharmacy or firm.

1 SECTION 5. Chapter 653 of the Acts of 1989 is hereby  
2 amended by striking section 160 and inserting in place thereof the  
3 following section: —

4 Section 160. Notwithstanding the provisions of any general or  
5 special law to the contrary, whenever pharmaceutical benefits are  
6 provided to recipients, the Department of Public Welfare shall  
7 make payments only for the cost of the least expensive, reasonably  
8 available interchangeable generic drug product; unless by written  
9 prescription the prescribing physician specifies a non-generic  
10 product: Only those interchangeable generic drugs which are listed  
11 on the current formulary or supplement thereof as published by  
12 the department of public health shall be used as the basis for the  
13 maximum allowable payment pursuant to the provisions of this  
14 section. A pharmacist shall be entitled to a reasonable dispensing  
15 fee for providing services hereunder. The Department shall by  
16 regulation determine the dispensing fee for services hereunder for  
17 which the department shall provide reimbursement. The  
18 Department shall reimburse pharmacists providing services  
19 hereunder within 14 days of receipt of a bill for same.