



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

March 10, 2022

The Honorable Shane E. Pendergrass
Health and Government Operations Committee
House Office Building Room 240
6 Bladen Street
Annapolis, Maryland 21401

RE: HB 1009 – Requesting Amendment

Dear Chair Pendergrass and Members of the Committee:

Kaiser Permanente Kaiser Permanente respectfully requests an amendment to HB 1009, Health Insurance - Pharmacy Benefits Managers - Reimbursement and Cost Sharing.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 800,000 members. In Maryland, we deliver care to over 460,000 members.

Kaiser Permanente is seeking a clarifying amendment to the proposed subsection 15-1628.1(e) to ensure it applies to pharmacy benefits managers only, as contemplated by its placement in the pharmacy benefits manager code section.

Kaiser Permanente's approach to prescription drugs differs substantially from other carriers. Our pharmacist contracting team works directly with drug manufacturers to negotiate drug prices – rather than using a pharmacy benefits manager for these purposes. Our contracting efforts provide members with the best possible value for their dollar, especially when competing medications that perform similarly are available. Our pharmacy contracting team actively seeks to negotiate contracts prior to generic drug availability to ensure optimal access for our members to new generic drugs.

To the extent this provision applies only to pharmacy benefit managers, it would not impact Kaiser Permanente. With this amendment, Kaiser Permanente would be neutral on HB 1009.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (202) 924-7496 with questions.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

Sincerely,



Allison Taylor
Director of Government Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.

AMENDMENT TO HOUSE BILL 1009
(First Reading File Bill)

(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A PHARMACY BENEFITS MANAGER SHALL CALCULATE A BENEFICIARY'S DEFINED COST SHARING FOR A PRESCRIPTION DRUG ~~SHALL BE CALCULATED~~ AT THE POINT OF SALE BASED ON A PRICE THAT IS REDUCED BY AN AMOUNT EQUAL TO AT LEAST 100% OF ALL REBATES RECEIVED, OR TO BE RECEIVED, BY THE PHARMACY BENEFITS MANAGER IN CONNECTION WITH THE DISPENSING OR ADMINISTRATION OF THE PRESCRIPTION DRUG.

(2) ANY REBATE OVER THE DEFINED COST SHARING SHALL BE PASSED ON BY THE PHARMACY BENEFITS MANAGER TO THE PURCHASER TO REDUCE PREMIUMS.

(3) THIS SUBSECTION DOES NOT PRECLUDE A PURCHASER FROM DECREASING A BENEFICIARY'S DEFINED COST SHARING BY AN AMOUNT GREATER THAN WHAT WAS PREVIOUSLY AGREED TO BY THE PURCHASER AND THE BENEFICIARY.

(4) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.