CAPITOL Technology University

GOUCHER college

HOOD COLLEGE

JOHNS HOPKINS UNIVERSITY

LOYOLA UNIVERSITY MARYLAND

MICA MARYLAND INSTITUTE COLLEGE OF ART

McDANIEL COLLEGE

MOUNT ST. MARY'S UNIVERSITY

NOTRE DAME OF MARYLAND UNIVERSITY 1895

ST JOHN'S College

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WASHINGTON ADVENTIST UNIVERSITY

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MICUA
MARYLAND INDEPENDENT COLLEGE and UNIVERSITY ASSOCIATION

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Letter of Information

House Health and Government Operations Committee
House Bill 726 (Kipke) Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law

Matt Power, President
mpower@micua.org
February 29, 2024

On behalf of the member institutions of the Maryland Independent College and University Association (MICUA) and the nearly 55,000 students we serve, I thank you for the opportunity to provide this letter of information for *House Bill 726 (Kipke) Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law*.

HB 726 would change Maryland's self-funded plans which have existed in the State for over 50 years. The Employee Retirement Income Security Act (ERISA) of 1974 has governed the State since its passage and federal preemption has kept legislatures from overriding the laws that govern self-funded plans. Several MICUA institutions offer self-funded plans, and this change in practice would impact their operations and capability to offer reasonably priced employee benefits packages.

Passage of this bill would come at time when MICUA schools are experiencing overburdened budgets while working to offer affordable plans to their employees. Institutions of higher education aim to attract highly qualified individuals to their campuses to educate students who will enter the workforce. Employee benefits are used as a recruiting tool to attract skilled academic and administrative personnel, and this legislation could interfere with these efforts.

Thank you for the opportunity to provide this information related to House Bill 726 on behalf of our member institutions. If you have any questions or would like additional information contact Irnande Altema, Associate Vice President for Government and Business Affairs, ialtema@micua.org.