



House Bill 321

**Pharmacy Benefit Managers and Alteration of Application of Law
Senate Finance Committee
Position: Unfavorable**

NAIFA-MD ("The National Association of Insurance and Financial Advisors – Maryland Chapter") appreciates the opportunity to submit written testimony on HB321. NAIFA-MD is made up of insurance agents and advisors, financial advisors and financial planners, investment advisors, broker/dealers, multiline agents, health insurance and employee benefits specialists, and more. We are the closest to the consumer and provide products, services, and guidance that increase financial literacy in our society, protect their clients against life's inherent risks, help hard-working Americans prepare for retirement, and create financial security and prosperity so their clients can leave a legacy for future generations.

NAIFA-MD strongly opposes House Bill 321, which seeks to alter the definition of "purchaser" for the purpose of certain provisions of State insurance law governing pharmacy benefits managers. This bill could lead to increased healthcare costs for public, union, and private sector workers and their families. By altering the regulatory framework, it may result in higher co-pays, co-insurance, and prescription drug prices. This increase in costs would be particularly burdensome during a time when healthcare expenses are already at an all-time high.

HB 321 undermines federal protections provided by the Employee Retirement Income Security Act of 1974 (ERISA). ERISA ensures uniform regulations and benefits for employees across Maryland, including those in local government institutions, unions, and private employers. By eroding these protections, HB321 could disrupt the ability of employers to offer affordable and accessible healthcare and prescription drugs to their employees.

The proposed changes would limit the flexibility of insurance agents and advisors to provide customized benefit packages to their employer clients. This could negatively impact the ability of local government institutions, private employers, and unions to tailor healthcare benefits to their specific needs. By increasing healthcare costs and reducing flexibility in benefit packages, HB321 could compromise the financial security of Maryland's hardworking employees and their families.

This would be counterproductive to the state's goal of promoting economic stability and prosperity. Considering these concerns, NAIFA-MD strongly urges the Committee to oppose HB321. The potential consequences of this bill, including increased healthcare costs and reduced flexibility in benefit

packages, outweigh any perceived benefits. It is crucial to prioritize the financial security and healthcare access of Maryland's workers and their families.

Finally, House Bill 813 would create an interim study on the very complex issues stemming from recent litigation regarding action in other states pertaining to this exact issue. There is no need to rush to judgment when a study has already been contemplated.