



Committee: House Health and Government Operations Committee

Bill Number: House Bill 321 – Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law

Hearing Date: March 27, 2025

Position: Support

The Independent Pharmacies of Maryland (IPMD) support *House Bill 321 - Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law*. This bill alters the definition of “purchaser” to include an insurer, nonprofit health service plan, or health maintenance organization (HMO), with one exception, for purposes of State law governing pharmacy benefits managers (PBMs). The bill generally applies provisions of law governing PBMs to all entities providing prescription drug coverage or benefits in the State. As a reminder, this bill successfully passed out of the House Health and Government Operations Committee unanimously this session, with every present member signing on as a co-sponsor of the bill and passed unanimously out of the House of Delegates.

Passage of this bill is important to independent pharmacies, as it will finally require ERISA PBMs to: (1) eliminate gag clauses, where PBMs prohibit pharmacies from giving information on the costs of drugs to consumers which could save consumers money; (2) allow choice of a pharmacy by the consumer instead of allowing PBM pharmacies to require consumers to use PBM affiliated pharmacies; (3) equalize reimbursement between independent and PBM affiliated pharmacies; (4) put reasonable pharmacy audit rules in place; (5) require certain disclosures to purchasers that offer drug plans in the state; and (6) mandate an internal PBM review process for pharmacies to challenge unpaid claims by PBMs.

Additionally, similar bills have passed throughout the country, most recently in New York and Florida. Ultimately, this bill will eliminate the carve-outs given to PBMs previously and apply provisions of the Insurance Article equally to all PBMs operating in Maryland. This bill will help the independent community pharmacies throughout MD be treated more fairly by PBMs, and help them survive from the predatory practices of PBMs.

We request a favorable report on House Bill 321. If we can provide any further information, please contact Michael Paddy at mpaddy@policypartners.net.