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March 27, 2025

The Honorable Joseline Pena-Melnyk
Chair, House Health and Government Operations Committee
Room 241
House Office Building
Annapolis, MD 21401

Senate Bill 773 – Health Benefit Plans – Calculation of Cost Sharing Contribution – Requirements

Dear Chair Pena-Melnyk,

The League of Life and Health Insurers of Maryland, Inc. respectfully requests a favorable with amendments report on *Senate Bill 773 – Health Benefit Plans – Calculation of Cost Sharing Contribution – Requirements*.

As the committee is aware, carriers and advocates spent a lot of time on the basis of this legislation during the 2024 Maryland General Assembly Session. House Bill 879 passed the chamber and was in possession of the Senate Finance Committee at the end of Session. Unfortunately, that legislation did not pass.

That bill would have, when calculating an insured's or enrollee's contribution to the insured's or enrollee's coinsurance, copayment, deductible, or out-of-pocket maximum, required a carrier to include any discount, financial assistance payment, product voucher, or other out-of-pocket expense made by or on behalf of the insured or enrollee for a prescription drug that: (1) is covered under the insured's or enrollee's health benefit plan; and (2) does not have an AB-rated generic equivalent or an interchangeable biological product preferred under the health benefit plan's formulary or, if there is such an alternative, the insured or enrollee has obtained access to a brand drug through a prior authorization, step therapy protocol, or exception or appeal process of the carrier.

This bill from last Session has been reintroduced as House Bill 1246. After lengthy debate and stakeholder engagement, HB 1246 passed out of the House with further consumer protections layered on the legislation from last year ensuring that Marylanders had the benefit of coupon dollars for an entire plan year, as well as provisions related to altering or setting conditions of the terms on a health benefit plan that was taken directly from Senate Bill 773.

HB 1246 represents a true compromise that protects consumers. We suggest moving forward with Senate Bill 773 but amending the initiative to mirror House Bill 1246 as it passed the House of Delegates. For these reasons, the League urges the committee to give Senate Bill 773 a favorable with amendments report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal flourish extending to the right.

Matthew Celentano
Executive Director

cc: Members, House Health and Government Operations Committee