

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 88
Health

(Delegate Taveras)

Health Insurance – Bulk Purchasing Pools for Prescription Drugs

This bill authorizes certain insurers, nonprofit health service plans, and health maintenance organizations that provide coverage for prescription drugs and devices (including through a pharmacy benefits manager (PBM)) to join a bulk purchasing pool for prescription drugs.

Fiscal Summary

State Effect: The bill does not directly affect governmental operations or finances.

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: None.

Analysis

Current Law: Per § 2-502.1 of the State Personnel and Pensions Article, the Department of Budget and Management (DBM) must establish a Maryland Rx Program to achieve savings on prescription drugs for the State Employee and Retiree Health and Welfare Benefits Program. Maryland Rx must seek savings through a preferred list of covered prescription drugs, rebates from drug manufacturers, negotiated discounts, and other cost-saving measures. DBM must use a reverse auction to select a PBM or other entity to administer the program.

Nationally, there are several multi-state bulk purchasing pools for prescription drugs, including the Medicaid-focused National Medicaid Pooling Initiative, Top Dollar Program (TOP\$), and Sovereign States Drug Consortium, as well as the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) – a 50-state purchasing pool consisting of

non-Medicaid state and local government agencies. Maryland currently participates in TOP\$ and MMCAP. Health insurance carriers typically use PBMs to negotiate lower prices for prescription drugs.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2026
jg/ljm

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