



Mid-Atlantic Permanente Medical Group, P.C.
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

March 4, 2020

The Honorable Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 871 – Oppose

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente respectfully opposes SB 871, Mail Order and Specialty Drugs – Physician Dispensing.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 755,000 members. In Maryland, we deliver care to over 430,000 members.

SB 871 would allow for a physician to personally dispense to a patient by mail order certain prescription drugs. The copayment, coinsurance, deductible or other condition applied to beneficiaries obtaining a covered drug from a licensed dispensing physician must align with that which is applied when mail order services are used. This bill proposes a pharmacy benefits manager may not reimburse a dispensing physician in an amount less than the amount that the pharmacy benefits manager reimburses itself or an affiliate for the providing the same product or service.

SB 871 permits physicians to provide specialty medications to their patients via mail order services; however, these drugs often require a distinct process of delivery to the patient in the preparation, handling, storage, inventory, or distribution of the drug. Some of these drugs are only available from manufacturers to specialty pharmacies and are associated with REMS – a drug safety program that the U.S. Food and Drug Administration (FDA) can require for certain medications with serious safety concerns to help ensure the benefits of the medication outweigh its risks. These medications may require enhanced patient education, management, or support, beyond those required for traditional dispensing, before or after administration of the drug.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

Many pharmacists practicing in specialty settings have advanced training and certification to appropriately dispense and monitor medications in this category, such as those drugs with a narrow window between therapeutic effect and dangerous adverse events. Staff at specialty pharmacies are often available 24/7 to address concerns that may arise during a patient's course of treatment. Additionally, pharmacists evaluate the patient's entire medication profile and generally do not monitor individual therapies in isolation. To maximize the safety to patients in Maryland, it is most appropriate to ensure specialty medications are dispensed and monitored by experts in drug therapy management.

Specialty drugs are clearly defined in Maryland law. Kaiser Permanente does not see a reason why there should be a carve-out for physicians to mail these medications and receive remuneration. We prefer specialty drugs be managed by pharmacists who are trained to provide proper oversight.

For these reasons, Kaiser Permanente respectfully opposes SB 871 and strongly urges an unfavorable Committee report.

Thank you for the opportunity to comment. Please feel free to contact Wayne Wilson at Wayne.D.Wilson@kp.org or (301) 816-5991 with questions.

Sincerely,

Wayne D. Wilson
Vice President, Government Programs and External Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.