



JOHN A. OLSZEWSKI, JR.  
*County Executive*

CHARLES R. CONNER III, ESQ.  
*Chief Legislative Officer*

KIMBERLY S. ROUTSON  
*Deputy Legislative Officer*

JOEL N. BELLER  
*Assistant Legislative Officer*

**BILL NO.:**           **HB 1150**

**TITLE:**             State Health and Welfare Benefits Program – Maryland  
Competitive Pharmacy Benefits Manager Marketplace Act

**SPONSOR:**         Delegate Pendergrass

**COMMITTEE:**      Health and Government Operations

**POSITION:**        **SUPPORT**

**DATE:**             February 27, 2020

Baltimore County **SUPPORTS** House Bill 1150 – State Health and Welfare Benefits Program – Maryland Competitive Pharmacy Benefits Manager Marketplace Act. This legislation would require the State Office of Budget Management (OBM) to procure a system to operate as a reverse auction mechanism for pharmacy benefit management.

In 2019, the prices of more than 3,400 prescription drugs went up. Like many other states, Maryland has been dramatically impacted by this, with pain relievers, antidepressants, and insulin becoming increasingly unaffordable. HB 1150 seeks to address this issue by empowering the State OBM to develop a platform that could operate as a reverse auction mechanism.

Pharmacy benefit managers would bid drug pricing proposals in the auction, and a State committee would select the winner for the State’s pharmacy benefits contract. In 2017, this system was adopted in New Jersey, with promising results – prescription drug spending decreased by nearly \$500 million a year, and the savings from the reverse auction processes are also expected to save the state about \$2.5 billion dollars. This bill could yield similar results for Maryland.

Accordingly, Baltimore County requests a **FAVORABLE** report on HB 1150. For more information, please contact Chuck Conner, Chief Legislative Officer, at 443-900-6582.