



MARYLAND DEPARTMENT OF GENERAL SERVICES  
OFFICE OF THE SECRETARY

**BILL:** **House Bill 1150** – State Health and Welfare Benefits Program – Maryland Competitive Pharmacy Benefits Manager Marketplace Act  
**COMMITTEE:** House Health and Government Operations  
**DATE:** February 27, 2020  
**POSITION:** Letter of Information

House Bill 1021 of 2017 (Chapter 590) provided for the reform of State procurement and the creation of the Procurement Improvement Council (PIC). The purpose of the PIC is to ensure that the State is addressing various procurement policies and procedures related to State procurement and to advise the General Assembly on proposed legislation in order to enhance the efficiency and transparency of State procurement. House Bill 1150 appears to bypass this process.

We provide the following for the Committee's consideration:

- As drafted, the timeline provided in House Bill 1150 would not be feasible. It takes almost 2 years to issue a pharmacy benefits manager (PBM) procurement and coordinate the contract, with the constraints of open enrollment. Ideally, the bill would be implemented, as follows:
  - 1/1/2021 bill takes effect
  - 8/1/2022 new contract approved by BPW
  - 10/1/2022 open enrollment begins
  - 1/1/2023 new PBM contract begins
- eMaryland Marketplace Advantage (eMMA) will have the capability to perform reverse auctions. The bill's requirement to procure a platform to host a reverse auction is redundant and costly, given the expected functionality of eMMA.
- There are numerous methods of procurement including, competitive sealed proposals, reverse auctions, invitations for bid, which a procurement officer may consider when determining what provides best value to the State. The bill's requirement to utilize a reverse auction precludes the State from considering the use of other, more appropriate methods. Having a reverse auction as permissive rather than required allows the PIC to uphold its mission to address concerns within State procurement.

For additional information, contact Ellen Robertson at 410-260-2908.

