



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc  
2101 East Jefferson Street  
Rockville, Maryland 20852

February 16, 2021

The Honorable Paul G. Pinsky  
Senate Education, Health, and  
Environmental Affairs Committee  
2 West, Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

**RE: SB 537 – Support with Amendment**

Dear Chair Pinsky and Members of the Committee:

Kaiser Permanente supports SB 537, “Pharmacists – Required Notification and Authorized Substitution – Lower Cost Brand Name Drug or Device Product,” and we request the Committee’s consideration of an amendment to be offered by the sponsor.

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.<sup>1</sup> Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 775,000 members. In Maryland, we deliver care to over 450,000 members.

This bill allows a pharmacist or designee to inform consumers of the availability of certain therapeutically equivalent brand name drugs and the cost difference between the therapeutically equivalent drug and a certain prescribed brand name drug. A pharmacist is authorized to substitute a therapeutically equivalent brand name drug or device product for certain prescribed drugs or devices. The pharmacist is required to provide notice to a patient and maintain a record if a therapeutically equivalent brand name drug or device is substituted for a drug device or product.

The use of therapeutic substitutions for generics and branded products has long been consistent with the strategy KP utilizes to ensure our patients receive clinically appropriate, affordable pharmaceutical care. While medications on our formulary are already selected based on efficacy, safety, therapeutic value, and cost effectiveness, we maintain processes that continually evaluate evidence-based prescribing. We consider whether patients are receiving prescriptions that maximize clinical outcomes and maintain low prices where possible. When a generic medication becomes available on the market, we quickly evaluate it for placement on our

---

<sup>1</sup> 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.

Kaiser Permanente  
Comments on SB 537  
February 16, 2021

formulary, and patients previously on the branded product may automatically be switched to the generic formulation, unless the prescriber deems the brand drug medically necessary.

Thank you for the opportunity to comment. Please feel free to contact Allison Taylor at [Allison.W.Taylor@kp.org](mailto:Allison.W.Taylor@kp.org) or (202) 924-7496 with questions.

Sincerely,

A handwritten signature in cursive script that reads "Allison Taylor".

Allison Taylor  
Director of Government Relations  
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.