

MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



**HB602 Maryland Medical Assistance Program and Managed Care
Organizations That Use Pharmacy Benefits Managers - Reimbursement
Requirements
House Health and Government Operations Committee
Position: SUPPORT
February 10, 2021**

Background: Requiring the Maryland Medical Assistance Program to establish reimbursement levels, rather than maximum reimbursement levels, for drug products for which there is a certain generic equivalent; requiring that certain minimum reimbursement levels be at least equal to the National Average Drug Acquisition Cost of the generic product plus the fee-for-service professional dispensing fee determined by the Maryland Department of Health in accordance with the most recent in-State cost-of-dispensing survey; etc.

Written Comments: The Maryland Retailers Association (MRA) and Maryland Chain Drug Store Association (MACDS) supports adopting the FFS reimbursement rates at the minimum standard for reimbursement in managed care as it will increase transparency as well as create a level playing field for all providers. This will allow for some financial stability and predictability of reimbursement in these private contracts. By adopting the National Average Drug Acquisition Cost (NADAC) and dispensing fees as approved in the current state plan as the rate floor in its managed care program, the legislature would not only be ensuring that reimbursement rates are accurate and relevant, but they would also allow pharmacies to be paid at rates that are reflective of the true cost to acquire and dispense prescription drugs to Medicaid beneficiaries.

It is for these reasons we urge a favorable report.



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