

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Delores G. Kelley, Chair  
Members, Senate Finance Committee  
The Honorable Paul D. Corderman

FROM: Danna L. Kauffman  
Pamela Metz Kasemeyer  
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DATE: March 2, 2022

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 621 – *Health Insurance – Changes to Coverage, Benefits, and Drug Formularies – Timing*

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The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** Senate Bill 621. Senate Bill 621 states that a carrier may not change the coverage of services or benefits provided under a health insurance policy or contract during the term of the policy or contract. The bill also prohibits a carrier from removing a drug from its formulary or move a prescription drug or device to a benefit tier that requires a member to pay a higher deductible, copayment, or coinsurance amount for the prescription drug or device during the term of a health insurance policy or contract. The bill allows these changes to occur on renewal but if the carrier is removing a drug or moving it to a higher tier, it must provide a member who is on that prescription drug notice at least 30 days before the change.

Currently Maryland law does require each carrier to establish a process by which a member may either receive a drug not on the carriers' formulary or receive a drug that has been removed from the formulary. The process must also address when the member may continue the same cost sharing requirements if the carrier has moved the prescription drug or device to a higher deductible, copayment, or coinsurance. Under either circumstance, the carrier must provide notice to the patient or prescriber 30 days before making the change.

Health care costs continue to increase, with individuals paying more out-of-pocket in the form of both premiums and cost sharing. As such, consumers must be better “shoppers of health care,” an initiative promoted by the State. For example, the Maryland Health Care Commission operates <https://www.wearthecost.org/> to better inform consumers of how costs for the same procedure may differ between hospitals. Consumers should feel confident that the health plan they purchase in the beginning of the plan year will remain consistent through the plan year, especially given the fact that individuals

can only switch health plans during open enrollment. This is especially true for individuals with chronic or serious conditions. Many often choose their health plan based on whether their medication is covered and that it is covered under an affordable cost tier. Requiring an individual to change medication without consideration of the medical repercussions or the reasoning behind the physician's decision to initiate a medication places the patient's health at risk, potentially causing adverse side effects and decreased effectiveness of the medication.

While MedChi ultimately supports prohibiting mid-year plan changes, MedChi does support the amendment put forth by the bill's sponsor, which changes the notice provision from 30 days to 60 days and amends the current exemption process to specifically address the issues that occur when a patient is currently on a medication. Changing the notice provision from 30 days to 60 days would allow additional time for patients and prescribers to readjust medications, if necessary. Regarding the exemption process, the amendment specifically addresses those individuals who are currently on a medication that is effectively treating their condition at the time of the mid-year formulary change. It allows them to remain on the drug based on the judgment of the prescriber. The current exemption process appears to require a switch to an equivalent prescription drug or device unless that drug has been ineffective in treating the disease or condition or has caused or is likely to cause an adverse reaction or harm – a standard that implies that the member has to try it or has tried it in the past to qualify for an exemption.

Therefore, Senate Bill 621 is about fairness. Fairness in purchasing a health plan and being confident that it will remain the right health plan for you throughout the year. For the reasons stated above, we request a favorable vote on Senate Bill 621 with the requested amendments.

**For more information call:**

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