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House Bill 1007 – Maryland Medical Assistance Program and Managed Care Organizations That Use Pharmacy Benefits Managers - Reimbursement Requirements

OPPOSE

House Health & Government Operations Committee

March 10, 2022

Thank you for the opportunity to submit testimony in opposition to House Bill 1007 – Maryland Medical Assistance Program and Managed Care Organizations That Use Pharmacy Benefits Managers - Reimbursement Requirements.

The Maryland Managed Care Organization Association (MMCOA), which is comprised of all nine MCOs that serve Medicaid, is committed to ensuring access to the prescription drugs and devices that our members depend on for their health. Maryland's nine MCOs serve over 1.5 million Marylanders through the Medicaid HealthChoice program, and through our management of the prescription drug benefit, including costly specialty drugs, provide access to the prescription drugs needed by our members at a lower cost, allowing the State to continue to provide this valuable and necessary service. By implementing a universal reimbursement rate for PBM services, free market principles will be undermined and our ability to produce cost savings for the Medicaid program diminished.

While we applaud the bill sponsor's effort to examine ways in which the Medicaid pharmacy spend can be decreased while ensuring access to needed therapies, there are other initiatives that have recently been implemented in the Medicaid pharmacy program, and we strongly encourage the Committee to examine their impact before making additional changes to the delivery of the pharmacy benefit. We respectfully suggest the bill be amended to require that a report be delivered to the General Assembly at the end of CY 2022 reporting the effects of:

1. The elimination of the spread pricing model;
2. Implementation of the pharmacy appeals and grievance process; and
3. Impact of the small rural pharmacy access fee.

These three cost-focused pharmacy initiatives are in the relatively early stages of utilization and their impact must be evaluated and understood before more measures – including those proposed in HB 1007- are adopted, perhaps to the detriment of the program's quality and service to its members. Also, additional challenges to implementation would be encountered due to the Emergency Bill status of HB 1007, as it would require time to accommodate the changes set forth in the bill and reflect those changes in the FY23 budget.

MMCOA looks forward to continued collaboration with the State as we work to identify ways to improve access to affordable high-quality care for all Medicaid participants.

Please contact Jennifer Briemann, Executive Director of MMCOA, with any questions regarding this testimony at jbriemann@marylandmco.org.