



March 7, 2022

The Honorable Shane E. Pendergrass
Chair, Health and Government Operations Committee
Maryland House of Delegates
Legislative Services Building
90 State Circle
Annapolis, MD 21401

Re: March 10 Bill Hearing – Support for House Bills 755, 1006, 1007, 1008, 1009, and 1014

Dear Committee Chair Pendergrass and Members of the House Health and Government Operations Committee:

More than 800 chain pharmacies operate in Maryland that provide patients with accessible, quality, and equitable health care services. The National Association of Chain Drug Stores (NACDS) is pleased to offer support for the provisions of several House Bills to be heard and considered by the Committee during the legislative hearing scheduled to commence on March 10 at 1:30 p.m. We commend the Committee for your leadership in pursuing legislative efforts that would help protect the viability of retail community pharmacies by helping to enhance and improve all patients' access to the retail community pharmacy of their choice as well as enhance transparency into the practices of pharmacy benefit managers (PBMs).

The provisions of the House Bills that we support are detailed below:

- **House Bill 755** would allow any willing pharmacy that accepts the terms and conditions of a contract to participate in a PBM network and would help to ensure that Marylanders may receive pharmacy services from the local, retail community pharmacy of their choice; would remove mandatory mail-order requirements; and asserts that this state is not preempted by the federal Employee Retirement Income Security Act (ERISA).
- **House Bill 1006** would help to ensure that Marylanders have access to robust pharmacy networks that include the local, retail community pharmacy of their choice; and would prohibit PBMs from imposing on local pharmacies unreasonable and unfair fees and accreditation standards that effectively would serve to exclude pharmacies from their networks.
- **House Bill 1007** would help to preserve access to local, retail community pharmacies for the most medically underserved Marylanders by establishing a reimbursement floor for pharmacies that participate in the state Medical Assistance program. Additionally, HB 1007 also would help align Medicaid Managed Care with the federally-mandated reimbursement floor for the Medicaid Fee-For-Service program.
- **House Bill 1008** would help to ensure that all Marylanders have access to the pharmacy of their choice and remove mandatory mail order requirements and enforcement of such.
- **House Bill 1009** would establish a number of statutory protections to help local, retail community pharmacies stay afloat in this challenging economic environment. These protections include a minimum reimbursement rate for pharmacies that participate in commercial pharmacy networks and enforcement of such; reimbursement protections for pharmacies that provide care to medically underserved populations in the federal 340B program; and prohibition of harmful retroactive claw back practices that result in lower reimbursement to pharmacies.

- **House Bill 1014** would clarify that certain Maryland state laws are not expressly related to, thus not preempted by, the federal Employee Retirement Income Security Act (ERISA).

NACDS applauds the legislature for taking the necessary steps to protect, sustain, and enhance patient access and freedom of choice by minimizing barriers that would limit patient accessibility to the pharmacies that they know and trust. The above bills are of critical importance as many pharmacies continue to struggle to meet unprecedented patient needs during the ongoing COVID-19 pandemic. The provisions that we have detailed above would provide much needed and welcome relief to Maryland pharmacies and help to not only maintain patient access to prescription drugs and COVID testing, vaccine and treatment needs, but will also help foster more predictable, sustainable and transparent long-term viable reimbursement models for participating pharmacies. We urge the Committee to swiftly advance these House Bills so that they may be passed into law as soon as possible. For questions or further discussion, please contact NACDS' [Jill McCormack](#) at 717-525-8962.

Sincerely,



President and Chief Executive Officer
National Association of Chain Drug Stores

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NACDS represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate over 40,000 pharmacies, and NACDS' over 80 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 155,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 900 supplier partners and over 70 international members representing 21 countries. Please visit [NACDS.org](#).