



## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

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### MARYLAND BOARD OF PHARMACY

Jennifer L. Hardesty, PharmD, FASCP, Board President — Deena Speights-Napata, MA, Executive Director

February 15, 2023

The Honorable Melony Griffith  
Chair, Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: Senate Bill 398 – Health Insurance – Reimbursement and Use of Specific Pharmacies and Dispensaries – Prohibitions**

Dear Chairwoman Griffith and Committee Members:

The Maryland Board of Pharmacy (Board) respectfully submits this letter of support for Senate Bill (SB) 398 – Health Insurance – Reimbursement and Use of Specific Pharmacies and Dispensaries – Prohibitions.

Pursuant to SB 398, a covered entity would be permitted to recommend, rather than require, obtaining a covered specialty drug from a designated pharmacy, other authorized source, or pharmacy affiliated with the covered entity. § 15-847(d)(1). Additionally, SB 398 includes “dispensary” as a new location from which a patient may obtain a covered specialty drug. § 15-847(d)(1). SB 398 would prevent a covered entity from prohibiting a subscriber, member, or beneficiary from independently selecting which pharmacy or dispensary they patronize to obtain a covered specialty drug, provided the selected location meets minimum requirements. § 15-847(d)(3). SB 398 would prevent a covered entity from prohibiting or limiting a pharmacy or dispensary that was independently selected by a covered entity’s subscriber, member, or beneficiary, but not recommended by the covered entity, from participating in a plan, policy, or contract offered by the covered entity on terms identical to those extended to a pharmacy or dispensary recommended by the covered entity. § 15-847(d)(3)(i). SB 398 would prevent a covered entity from denying a pharmacy or dispensary that was independently selected by a subscriber, member, or beneficiary, but not recommended by the covered entity, the right to participate as a contract provider under the covered entity’s plan, policy, or contract if the pharmacy or dispensary (i) agrees to provide pharmacy services that meet the terms and requirements of the covered entity’s plan, policy, or contract and (ii) any other terms and requirements of the covered entity. § 15-847(d)(3)(ii). SB 398 removes the statutory exception permitting a requirement that a beneficiary fill a prescription at a pharmacy or entity designated as a preferred location by their pharmacy benefits manager. § 15-1611.1.

SB 398 would prevent a pharmacy benefits manager from (1) reimbursing a pharmacy or pharmacist for a (i) specialty drug or (ii) mail order drug, or (2) issuing a reimbursement to a chain pharmacy with more than fifteen stores or a pharmacist who is an employee of the chain pharmacy in an amount less than the amount that the pharmacy benefits manager reimburses itself or an affiliate for providing the same product or service. § 15-1612.

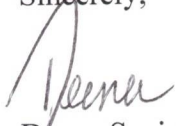
As “dispensary” is not defined in SB 398 or Md. Code Ann., Insurance § 15-847(a)(2), the Board recommends that SB 398 be amended to clearly define “dispensary.”

The Board supports eliminating barriers which prevent a patient from accessing a specialty drug at their preferred pharmacy. SB 398 would ensure that a patient is not forced to select a pharmacy based on their pharmacy benefits manager’s preference, but rather their own. SB 398 would eliminate pharmacy selection based solely on affiliation with the patient’s pharmacy benefits manager, as a pharmacy benefits manager would no longer be permitted to limit its plans and policies to preselected pharmacy locations. SB 398’s requirement that a pharmacy benefits manager extend identical business terms to all pharmacy-applicants seeking plan participation increases the likelihood that a patient makes healthcare choices based on desired outcomes, rather than financial variables. SB 398 increases patient access and choice regarding pathways from which a specialty drug may be obtained, which may increase drug therapy adherence and lead to improved health outcomes. SB 398 would facilitate continuity of drug utilization review by a knowledgeable pharmacist who has developed a beneficial relationship with a patient leading to improvement under a treatment plan. SB 398 would help maintain a direct pharmacist-patient relationship that is supportive of a patient’s health improvement and maintenance.

The Board respectfully requests a favorable report on SB 398.

If you would like to discuss this further, please do not hesitate to contact Deena Speights-Napata, MA, Executive Director at [deena.speights-napata@maryland.gov](mailto:deena.speights-napata@maryland.gov) or (410) 764-4753.

Sincerely,



Deena Speights-Napata, MA  
Executive Director