



**MMCOA
Board of Directors**

**House Bill 539 – Pharmacy Benefits Managers –
Prohibited Actions**

UNFAVORABLE

**House Health & Government Operations Committee
March 2, 2023**

Thank you for the opportunity to submit testimony in opposition to House Bill 539- Pharmacy Benefit Managers- Prohibited Actions.

The Maryland Managed Care Organization Association’s (MMCOA) nine member Medicaid Managed Care Organizations (MCOs) that serve over 1.5 million Marylanders through the Medicaid HealthChoice program are committed to identifying ways to improve quality and access to care for all Medicaid participants.

The MCOs are regulated by the Maryland Department of Health with a focus on ensuring high quality care and cost effectiveness. While we applaud the sponsor’s efforts to enhance access and quality of pharmacy services in the Program, we believe HB 539 may undermine those processes adopted by MDH and currently utilized to address pharmacist’s concerns regarding participation in the HealthChoice program.

In January 2021, MDH enacted regulations eliminating the practice of spread pricing which were adopted by MDH to improve the experience of pharmacists in the Medicaid program. Given the nuances and complexity of the Medicaid program, we respectfully oppose measures that would codify in statute what already exist in regulation and in the annual contracts executed by the MCOs. The MCO contracts- signed yearly by each MCO participating in the HealthChoice program- reflect the policies and guidance provided by CMS, and therefore must remain flexible to include or eliminate policies based on best practices for the HealthChoice program and our members. Codifying policies such as the elimination of spread pricing would take away the flexibility needed by MDH and CMS to adjust the provisions of the HealthChoice program.

For these reasons, we respectfully urge an unfavorable report on House Bill 539. The 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.

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