



MARYLAND
Association of
COUNTIES

House Bill 382

Pharmacy Benefits Administration - Maryland Medical Assistance Program and Pharmacy Benefits Managers

MACo Position: **OPPOSE**

To: Health and Government Operations
Committee

Date: March 2, 2023

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** HB 382. This bill would pose an additional fee on pharmacy prescriptions negotiated by pharmacy benefits managers (PBMs) on behalf of Medicaid. While counties are not the target of the bill as drafted, they have grave concerns with this shift in policy and its eventual effect on all employee health care coverage.

As a major employer in Maryland, most counties rely on PBMs to help negotiate wholesale pharmaceutical costs for their private plans, on behalf of county employees. For context of scope, in 2022, over one million prescriptions were filled on behalf of county staff and retirees. In working with PBMs, counties can offer world class benefits for their hardworking staff while remaining fiscally responsible to the many roles of county government. Ultimately, this system allows counties to keep costs down, directly translating to cost savings for public servants on their pharmaceutical benefits.

Nationwide, states that have implemented fees like those envisioned in HB 832 for private programs average an additional charge of \$6 for every prescription negotiated by a PBM. Counties are concerned that the “slippery slope” potential of HB 382 could result in similar costs for local governments’ private plans. Should this happen, it would have a devastating financial impact on county governments and would ultimately force counties to pay more for their plans and county staff to pay more for their premiums and copays.

While HB 382 does not immediately apply to private plans, it poses a dangerous change in state policy that could eventually expand to include private plans and raise costs for hardworking public servants. For these reasons, MACo **OPPOSES** HB 382 and urges an **UNFAVORABLE** report.