

LEGISLATIVE POSITION: UNFAVORABLE

**OPPOSE** Senate Bill 626 - Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law

Written Testimony of Cybersecurity Association of Maryland, Inc.  
Prepared for the Senate Finance Committee

February 20, 2024

Dear Chairwoman Beidle and Members of the Committee:

The Cybersecurity Association of Maryland, Inc. strongly opposes Senate Bill 626 because of its detrimental effect on our member's ability to provide affordable and accessible healthcare to their employees.

Local government institutions will face unprecedented and sweeping policy changes through the introduction of SB 626. If enacted, the policy changes from this bill will hamper our members' ability to provide healthcare to their employees by gutting key federal provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA-based plans are popular with local government institutions and unions whose employees are critical to creating and maintaining a Maryland where all individuals and families have an opportunity to thrive. ERISA provides federal protections like uniform regulations and benefits for Maryland's essential police officers, school teachers, firefighters, first responders, public administrators, and a whole host of other civil servants across the state. This uniform set of standards has allowed employers to provide affordable and accessible healthcare and prescription drugs to their employees.

SB 626 guts protections provided under ERISA and will ultimately increase co-pays, co-insurance, and prescription drug prices for employees who are employed by our members. Additionally, the policy changes introduced by this bill could increase healthcare costs that could run into the billions of dollars over the next decade.

The bottom line is if SB 626 passes, Maryland lawmakers will be responsible for increasing healthcare costs for our public workers and their families. The cost of providing employer-sponsored healthcare is at an all-time high coupled with facing state budget cuts. This bill is wrong for our public institutions and the public servants who work hard every day to make our state a better place.

Therefore, the Cybersecurity Association of Maryland, Inc. urges an unfavorable report on SB 626.