



March 26, 2025

Senate Bill 306
Workers' Compensation - Prescription Drug and Pharmaceutical Services -
Reimbursements
House Economic Matters Committee

Position: FAVORABLE

Anne Arundel County **SUPPORTS** Senate Bill 306 – Workers' Compensation – Prescription Drug and Pharmaceutical Services – Reimbursements. This Bill requires the State Workers' Compensation Commission to regulate the reimbursement charges for prescription drugs and pharmaceutical services by establishing a cost index.

Unlike medical bills, there is currently no established fee schedule or guide for prescription drug charges for workers' compensation. As a result, vendors can charge the county whatever amount they want. Often, there can be significant discrepancies between the amount a vendor charges for a prescription and the reasonable price of that prescription. It is no longer surprising to see vendors charge for every bill at least five to ten times the upper range that a Maryland resident would typically pay when walking in without a prescription card or plan. When these disagreements occur, the county is obligated to negotiate a more reasonable price in order to ensure that our public funds are used efficiently.

In order to combat these price discrepancies, Anne Arundel County secured a prescription review vendor. The vendor reviews all of our prescriptions and reduces the charges based on what is usual, customary, and reasonable from a price standpoint and based on the diagnosed injury. This model has been very successful and, as a result, the County has avoided paying inflated charges.

Although Anne Arundel County has had some success with our prescription review process, exorbitant prescription charges are still a common and serious issue. Counties should not have to significantly overpay for workers' compensation-related prescription drug reimbursements. Creating a cost index calculated based on per unit acquisition cost and accounting for the dispensing fee will establish a uniform, predictable, and reasonable cost for each prescription.

This Bill will disincentivize vendors from overbilling, help county departments pay what is customary and reasonable for prescription drugs and services, and save taxpayer money. Accordingly, Anne Arundel County respectfully requests a **FAVORABLE** report on Senate Bill 306.

Steuart Pittman
County Executive