



Testimony of
American Property Casualty Insurance Association (APCIA)

Senate Finance Committee

Senate Bill 306 - Workers' Compensation - Prescription Drug and Pharmaceutical Services - Reimbursements

March 26, 2025

Favorable

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 67% of the U.S. property and casualty insurance market, including 90% percent of Maryland's workers' compensation market. APCIA appreciates the opportunity to provide written comments in support of Senate Bill 306.

This bill would require the State Workers' Compensation Commission to regulate fees and other charges for the reimbursements of-services and prescription drugs provided by a pharmacy permit holder; and limiting covered reimbursements to a cost index or indexes. This would establish a pricing index using actual acquisition costs or something similar as long as the price base is the cost of drug plus a dispensing fee, and any other percentage increase or decrease determined by the Commission. The bill also authorizes the Maryland Prescription Drug Affordability Board to conduct a study on prescription drug affordability challenges related to workers' compensation claims.

This bill will help regulate drug costs which could result in cost savings under workers' compensation policies which would be translated into lower costs for the employers and the public. The bill would also reduce the uncertainty in drug reimbursement amounts and thus greatly reduce the amount of delays and disputes in the pharmaceutical reimbursement process

For these reasons, APCIA urges the Committee to provide a favorable report on Senate Bill 306.

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