



March 14, 2025

**Maryland General Assembly**

House Economic Matters Committee  
230 Taylor House Office Building  
Annapolis, MD 21401

Attn: Delegate C. T. Wilson, Chair and Delegate Brian M. Crosby, Vice Chair

Re: Statement of AAPAN in Support of SB306 (Beidle; Workers' Compensation Fee Schedule) for 3/26/25 Hearing, 1:00pm

*Submitted via MyMGA 3/24/25*

Thank you for the opportunity to voice our support for SB306 (Beidle), scheduled for hearing in your committee on March 26, 2025. I apologize that I am unable to testify directly before the committee, as I will unfortunately be in flight at the scheduled hearing time, so I thank you in advance for your consideration of our written support.

I am writing on behalf of the American Association of Payers, Administrators and Networks (AAPAN), to represent our members' perspectives on key points addressed in the proposed legislation. AAPAN is the leading national association of preferred provider organizations ("PPO's"), networks, pharmacy benefit managers, payers, and administrators in the workers' compensation sector. Through our members, we help thousands of injured workers access medical and pharmacy services throughout the country, including in Maryland.

AAPAN is committed to promoting public policies and regulations that preserve and strengthen injured workers' access to medical care. We strive to ensure that legislators, regulators and employers understand the valuable role managed medical and pharmacy care plays in enabling access to that care.

We are very appreciative of the efforts Sen. Beidle has made to introduce and advance SB306 to facilitate the delivery of pharmaceuticals to injured workers in Maryland while also being mindful of needed controls to curb escalating costs. SB306 provides a mechanism for the State Workers' Compensation Commission to implement a fee schedule for pharmacy-dispensed medications, tied to an acquisition-based benchmark, and adds an additional provision to

require the Maryland Prescription Drug Affordability Board to conduct a study of prescription drug prescribing and billing practices, as well as overall drug spend trends that are specific to the workers' compensation market. The results of the study will be used to tailor future legislation to target problematic dispensing trends. While we would ideally support having the scope of the Workers' Compensation Commission expanded to set prices for ALL medications dispensed or provided to injured for outpatient use (including compounds, topicals and physician-dispensed medications), we understand that SB306 provides an important first step.

We would also like to express our support for recent amendments to SB306 that allow payers to contract with Workers' Compensation pharmacy benefit managers and/or pharmacy networks for rates that vary from the fee schedule rates established by the Commission. Addition of this provision will ensure that those payers that have already undertaken cost containment measures by way of pharmacy contracting arrangements are able to continue doing so.

Finally, we would respectfully request that one additional provision be added to SB306, to specifically grant authority to the Commission to establish maximum reimbursement rates for medications that do not have an established fee rate in the acquisition-based data set(s). We have noticed in our data analyses that some of the largest cost drivers in the system are medications that do not have established rates.

In summary, we would like to express our overall support for SB306 and to thank Sen. Beidle for her efforts to ensure that medications are provided to Maryland's injured workers while maintaining a conscientious effort to reign in unnecessary costs. We respectfully ask you for your "aye" vote on this important piece of legislation.

We are happy to answer any additional questions that the committee may have. Please feel free to reach out to us as an industry resource representing preferred provider organizations ("PPO's"), networks, pharmacy benefit managers, payers, and administrators in the workers' compensation sector in Maryland.

Sincerely,



**Lisa Anne Hurt-Forsythe**

Vice President, Government Affairs

American Association of Payers Administrators and Networks (AAPAN)

Cc: Mr. Julian Roberts, CEO, AAPAN