



Senate Bill 438 - Pharmacy Benefits Administration - Maryland Medical Assistance Program and Pharmacy Benefits Managers

**UNFAVORABLE
Senate Finance Committee
February 12, 2025**

Thank you for the opportunity to submit this testimony for Senate Bill 438 - Pharmacy Benefits Administration - Maryland Medical Assistance Program and Pharmacy Benefits Managers. The Maryland Managed Care Organization Association (MMCOA), which is comprised of all nine MCOs that serve Medicaid, is committed to ensuring access to the prescription drugs and devices that our members depend on. Maryland's MCOs management of the prescription drug benefit, including costly specialty drugs, provide access to the prescription drugs needed by our members at a lower cost, allowing the State to continue to provide this valuable and necessary service.

While we applaud the sponsor's goal of supporting independent pharmacies, Senate Bill 438 does not attempt to address prescription drug affordability but rather creates a new claims reimbursement methodology for MCOs. Conclusions from the 2023 study on pharmacy reimbursement and committee testimony from last year's legislative session on similar legislation (SB1021) highlighted the significant fiscal impact of approximately \$78.3M in in total funds in CY2022. Senate Bill 438 would increase reimbursement to the large national chain pharmacies, potentially undermining the goal of supporting independent and rural pharmacies in the state.

Senate Bill 438 would increase costs for the state and limit the MCO's ability to work with their PBMs on providing affordable access to prescription drugs in the HealthChoice program. We respectfully urge an unfavorable report on Senate Bill 438.

Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at jwinn@marylandmco.org.