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Senate Finance Committee

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Senate Bill 393 – *Health Insurance – Prescription Drug Formularies and Coverage for Generic Drugs and Biosimilars*

POSITION: SUPPORT

MedChi, The Maryland State Medical Society, the largest physician organization in Maryland, supports Senate Bill 393. This bill alters transparency requirements related to formularies by:

- Requiring a carrier to post on its website an updated and complete formulary that is easily accessible, including any tiering structure and indicating any restrictions on the manner in which the drug may be obtained.
- Prohibiting a carrier from requiring an individual to create or access an account or enter a policy number to view the formulary.
- Requiring the carrier to clearly indicate which formulary applies to which plan if it offers more than one prescription drug benefit plan.

The bill also requires a carrier that provides coverage for a reference-listed drug (defined in the bill) to provide coverage for the generic or biosimilar drug with more favorable cost sharing if the U.S. Food and Drug Administration approves the reference-listed drug, marketed as a generic, and has a wholesale acquisition cost less than the reference-listed drug on the initial date of marketing for the generic drug.

Consumers are encouraged to research a carrier's insurance coverage prior to picking a plan. However, when carriers require consumers to create an account or enter a policy number to view the formulary, it undermines their ability to select a plan appropriately. In addition, given that carriers manage different levels of prescription drug benefit plans (i.e., plans under ERISA or small group market), it is important to differentiate among plans. For example, the State regulates both the individual and small group market but not ERISA plans. Therefore, it needs to be clear to consumers if different formularies are connected to different plans and not just refer to the "commercial market."

For these reasons, we urge a favorable vote.

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