

February 10, 2025

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

Re: Support for SB 438

Dear Chair Beidle and Members of the Committee:

The National Community Pharmacists Association (NCPA) is writing to express its strong support for the Managed Medicaid pharmacy reimbursement floor proposed in SB 438. NCPA represents the interest of America's community pharmacists, including the owners of more than 19,400 independent community pharmacies across the United States and more than 330 independent community pharmacies in Maryland. These pharmacies employed more than 3,500 individuals and they filled nearly 20 million prescriptions in 2023.

Fee-for-service Medicaid reimbursement rates are transparent and both cost- and evidence-based. The Centers for Medicare and Medicaid Services requires Medicaid pharmacy programs reimburse the actual acquisition cost of drugs plus a professional dispensing fee determined by a cost of dispensing survey. We support SB 438's proposal to use the National Drug Average Acquisition Cost benchmark (NADAC), which is updated on a monthly basis. We also support the use of a professional dispensing fee from a recent cost of dispensing survey conducted by the Department of Health. NCPA encourages the State of Maryland to conduct regular cost of dispensing surveys to keep the professional dispensing fee updated and reflective of a pharmacy's cost to dispense.

Recognizing the value to taxpayers of requiring transparent reimbursements in their Medicaid managed care programs, Arkansas, Georgia, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, and North Carolina require MCOs and PBMs to reimburse pharmacies at the same rates established under the fee-for-service program. Nebraska, New Mexico, and Ohio do so as well, but target the policy to pharmacies based on Medicaid volume or status as an independent pharmacy. If such transparent reimbursement methodologies were adopted nationwide, federal Medicaid spending would drop by almost \$1 billion over 10 years.<sup>1</sup>

<sup>1</sup> <https://www.finance.senate.gov/imo/media/doc/2020-03-13%20PDPR-SFC%20CBO%20Table.pdf>

We wish to thank Senator Lam for his sponsorship of the bill. We urge your support of SB 438. Thank you for your time and consideration of this excellent opportunity for the State of Maryland. If you have any questions, please do not hesitate to contact me at (703) 600-1186 or [joel.kurzman@ncpa.org](mailto:joel.kurzman@ncpa.org).

Sincerely,

A handwritten signature in black ink that reads "Joel Kurzman". The signature is written in a cursive style with a large, stylized "J" and "K".

Joel Kurzman  
Director, State Government Affairs