



LEGISLATIVE POSITION:

Favorable

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

Finance Committee

Tuesday, February 25, 2025

Dear Chair Beidle and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

Senate Bill 306 (SB 306) requires the Workers' Compensation Commission (WCC) to establish a medical fee guide for prescription drug reimbursements under the state workers' compensation system.

Maryland's workers' compensation system lacks a standardized fee guide for prescription medications, leading to cost disparities and inefficiencies. While medical services in workers' compensation claims are already subject to a regulated fee schedule, prescription drug costs are not, resulting in inconsistent pricing and unnecessary litigation.

Currently, many prescriptions are reimbursed based on the Average Wholesale Price (AWP) plus additional fees, which inflates costs well beyond the actual acquisition price. For example, a 30-day supply of Duloxetine is often priced at over \$700 under the AWP model, while the acquisition-cost-based price is around \$39. This disparity places unnecessary financial burdens on employers, who fund workers' compensation claims, and leads to costly litigation to dispute excessive charges, further delaying claims resolution.

By having a defined reimbursement structure and requiring prescription reimbursements to be based on acquisition cost, SB 306 will create a fair, uniform, and predictable payment system that reduces claims costs without impacting injured workers' access to necessary medications.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **SB 306**.