

February 20, 2025

The Honorable Pamela Beidle Chair, Senate Finance Committee

3 East Miller Senate Office Building  
Annapolis, MD 21401

Re: SB 306 - Worker's Compensation - Prescription Drug and Pharmaceutical Services - Reimbursements - OPPOSE Dear Chair Beidle, Vice Chair Hayes and members of the Senate Finance Committee:

Thank you for the opportunity to provide written testimony in strong opposition to SB306, a bill that seeks to establish a fee guide for workers' compensation prescriptions based solely on "acquisition costs." As President of Baltimore Firefighters IAFF Local 734, I represent hundreds of brave men and women who risk their lives daily for the safety of our community. Many of these individuals rely on timely and effective prescription care to recover from the physical and mental toll of their work. SB306 poses a significant threat to their health and well-being.

### **Impact on Injured Workers**

The proposed bill would limit pharmacy reimbursement to the exact purchase price of medications, without considering the additional costs of dispensing, managing claims, and handling inevitable payment delays and denials. The consequences of this legislation would be devastating:

1. **Loss of Access to Prescription Care:** By mandating reimbursement based solely on acquisition costs, pharmacies would face a financial loss with every workers' compensation prescription they fill. This will drive them to stop offering prescription services for injured workers altogether.
2. **Increased Financial Burden on Taxpayers:** Without pharmacy support, injured workers may turn to Medicaid or other taxpayer-funded programs for prescription coverage, shifting costs from insurers to the public.
3. **Delays in Treatment:** Injured workers already face lengthy delays—47.5% of cases are contested, and nearly 100% of occupational disease cases require months of litigation. Eliminating access to prescription care will only exacerbate these delays and hinder recovery.
4. **Deterioration of Mental and Physical Health:** Firefighters and other workers suffer from occupational diseases such as cancer, pulmonary issues, PTSD, and heart conditions. The proposed reimbursement changes will force them to navigate even more hurdles to receive essential medications.

### **Industry Standard Practices and Financial Realities**

Currently, pharmacies bill using the Average Wholesale Price (AWP) model, which is recognized as the industry standard across 36 states. This model allows for fair reimbursement that accounts for the complexities of handling workers' compensation prescriptions, including claim denials and administrative overhead. The Chesapeake Workers' Insurance Fund's recent return of \$50 million to policyholders demonstrates that prescription costs are not a financial burden requiring drastic intervention.

### **The Essential Role of Pharmacies**

Pharmacies like RescueMeds play a critical role in supporting our Firefighters, Medics, and EMTs by providing immediate access to medications while navigating the bureaucratic complexities of workers' compensation claims. They absorb the financial strain of delayed reimbursements, sometimes waiting up to two years for payment, and handle numerous claim denials—all to ensure my members receive the care they need. Eliminating this vital service will leave thousands of Firefighters without adequate prescription coverage.

### **A Call to Protect Workers**

SB306 undermines the already fragile balance between injured workers and insurers. The bill's approach would place pharmacies in an unsustainable financial position, jeopardizing access to essential medications for the thousands of injured firefighters per year in Maryland. As lawmakers, your responsibility is to protect the health and safety of Maryland's workforce. Passing this bill would do the opposite.

### **Conclusion**

I urge you to oppose SB306 and preserve the essential prescription care that we depend on. The well-being of Maryland's firefighters and countless other workers is at stake. Thank you for your consideration and for your commitment to supporting those who serve our communities.

Respectfully Submitted,

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# Firefighters

Local 734