



February 5, 2025

The Honorable Pamela Beidle, Chair
The Honorable Antonio Hayes, Vice Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

**Testimony of Ray Baker, Maryland Director, Baltimore DC Metro Building Trades Council
on SB 303: Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law
Position: UNFAVORABLE**

Thank you Chair Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee for the opportunity to offer testimony on SB 303. My name is Ray Baker. I am the Maryland Director of the Baltimore-DC Building Trades (BDCBT). The BDCBT's 28 affiliates represent more than 30,000 union construction workers across Maryland, Virginia, and the District of Columbia.

The BDCBT opposes SB 303 and its cross-file, HB 321, as they broadly expand Maryland's regulation of pharmacy benefit managers working on behalf of self-funded large employers, counties, municipalities, unions and their respective employees.

One of the most important fringe benefits a building trades union member receives is health insurance coverage. This legislation has the potential to adversely impact the cost and type of coverage our members are provided. SB 303 would upend a long body of case law and a long legislative history of the State not regulating self-funded or ERISA health insurance plans. SB 303 has been supported by pharmacies for the sole purpose of increasing their remuneration at the expense of union members. The proponents incorrectly assert that this legislation is constitutional under the 2020 Supreme Court decision in *Rutledge v. PCMA*.

If passed this legislation would result in employers and unions with self-funded plans would have inconsistent rules across state lines. SB 303 would result in additional costs for employers and or union members. The increased costs will be borne directly by the employer or our union members in the forms of decreased benefits or increased co-pays for prescription drugs. Specifically, SB 303 may change current negotiated health care plans and coverages in the following manner:

- 1) Increasing prescription dispensing fees;
- 2) Altering the terms and costs of mail order pharmacy dispensing;
- 3) Altering current networks; and
- 4) Eliminating protections from price gouging for specialty drugs.

We urge this committee to protect our current benefits and allow our plans to be treated consistently nationwide. We strongly oppose the legislation and respectfully ask for an unfavorable report.

Ray Baker
Maryland Director, BDCBT
RBaker@BDCBT.org
410.585.7862