



Senate Bill 306

Workers' Compensation - Prescription Drug and Pharmaceutical Services - Reimbursements

MACo Position: **SUPPORT**

To: Finance Committee

Date: February 25, 2025

From: Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 306 as an essential reform to Maryland's workers' compensation system. This bill would establish a clear and sustainable fee guide for the reimbursement of prescription drugs and pharmaceutical services under the Workers' Compensation Commission.

Currently, the Commission regulates fees for medical services but lacks a similar framework for prescription drugs, dental services, or durable medical equipment. This gap has led to excessive and inconsistent pricing, particularly from out-of-network pharmacies and physician-dispensed medications, with some drugs seeing markups as high as 77%. Workers' compensation claims remain a significant cost driver for counties, and the absence of pricing regulations results in inflated costs that burden local government budgets and increase insurance premiums.

SB 306 seeks to address this issue by directing the Commission to develop a pharmaceutical fee guide based on actual acquisition costs, along with a fixed dispensing fee. This structure would help ensure fair and transparent pricing while promoting financial sustainability within the workers' compensation system. By curbing excessive costs and aligning pricing with industry standards, counties stand to realize substantial savings that can be redirected to other critical public services.

Importantly, this bill will also benefit employees by ensuring timely and consistent access to necessary medications without inflated costs driving unnecessary delays or disputes in care. A well-regulated fee guide will promote fairness, efficiency, and better health outcomes for injured workers relying on the system for recovery.

MACo urges the Committee to issue a **FAVORABLE** report on SB 306 to establish reasonable and predictable pharmaceutical pricing under Maryland's workers' compensation laws.