



**Date:** February 25, 2025

**To:** The Honorable Pam Beidle, Chair, Senate Finance Committee

**From:** Aliyah N. Horton, FASAE, CAE, Executive Director, MPhA, 240-688-7808

**Cc:** Members, Senate Finance Committee

**Re: UNFAVORABLE - SB 306 – Worker’s Compensation – Prescription Drug and Pharmaceutical Services – Reimbursements**

The Maryland Pharmacists Association (MPhA) urges an **UNFAVORABLE** report on **SB 306 – Worker’s Compensation – Prescription Drug and Pharmaceutical Services – Reimbursements**.

- Pharmacy stakeholders have continued to advocate for accurate, transparent, and appropriate reimbursement for drug acquisition and professional dispensing services.
- We agree that moving away from the “usual and customary” model is appropriate.
- We have issue with lines 9-11, specifically the ambiguous language that reimbursement “may include reasonable dispensing fees”.
- We believe there should be a cost “plus-plus” model for reimbursements.
  - Plus 1= baseline fee that is equivalent to the state’s Fee for Service dispensing fee, which is based on the state’s cost of dispensing survey.
  - Plus 2 =an enhanced dispensing fee to reflect the complex nature of workers' compensation prescriptions. The enhanced dispensing fee could be based on survey data of the average cost to support and dispense workers’ compensation scripts; or a standard percentage markup on the drug cost.
- If this reimbursement model is not addressed, this is another area of service that WILL be dropped by community pharmacies, which will further erode patient access to medication and pharmacy services.
- **Pharmacy dispensing fees for workers' compensation claims warrant a guaranteed dispensing fee schedule at a higher rate for several key reasons:**
  - 1. Administrative Complexity**
    - Additional documentation requirements
    - Multiple stakeholder coordination (employers, insurers, claims adjusters)
    - More complex billing procedures
    - Need to maintain separate records for legal/compliance purposes
    - Higher rejection/resubmission rates requiring additional staff time

## **2. Legal Requirements**

- Stricter documentation standards for legal proceedings
- Need to maintain records for potential litigation
- Additional counseling documentation
- Compliance with state-specific workers' comp regulations
- More detailed injury/treatment correlation documentation

## **3. Clinical Considerations**

- More complex medication review for workplace safety
- Additional DUR (drug utilization review) checks for workplace impairment risks
- Need to coordinate with occupational health providers
- More frequent communication with prescribers about work status
- Enhanced monitoring for abuse/misuse in injury cases

## **4. Financial Factors**

- Higher claim rejection rates requiring appeals
- Increased staff time for claim follow-up
- Greater working capital requirements
- More complex accounts receivable management

These additional responsibilities and requirements justify higher dispensing fees that are guaranteed, not a “maybe”, to compensate for the increased operational costs and professional pharmacy staff support.