



House Health and Government Operations Committee
February 27, 2025

House Bill 1246 – *Health Benefit Plans – Calculation of Cost Sharing Contribution – Requirements*
POSITION: SUPPORT WITH AMENDMENT

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of support with amendment for House Bill 1246.

MTC supports the concept of this bill, but requests that the committee re-evaluate certain requirements in the bill that could mitigate its impact. This bill would require insurance carriers and pharmacy benefit managers to include cost sharing amounts paid by third parties when calculating a patient’s co-pay or co-insurance. There are existing programs under which charities, non-profits, and drug manufacturers will provide co-pay assistance to offset the out-of-pocket medication costs for qualified patients. Many such patients are low-income and rely on this assistance to afford critical medication. These types of programs are commonly used for patients with rare diseases or other chronic disorders, such as primary immunodeficiencies. The amount of co-pay assistance is intended to be counted toward a patient’s deductible, co-insurance, or out-of-pocket maximum, decreasing the amount a patient must pay out-of-pocket.

Unfortunately, there has been a rise in insurance co-pay accumulators and similar programs, which do not allow co-pay assistance to count toward deductibles or out-of-pocket maximums. With the passage of this bill, Maryland would join the 21 other states requiring insurers to count co-pay assistance toward patient deductibles and out-of-pocket maximums. Passage of this bill would immediately impact the out-of-pocket costs patients face for the cost of prescription drugs. Prescription drug affordability has been a major focus of the Maryland General Assembly, and separate legislation is being considered to expand the authority of the Prescription Drug Affordability Board. As MTC testified during the hearing on that legislation, we do not believe such an expansion will have the intended effect of lowering patient costs.

Regarding our request for amendment, MTC respectfully requests that the Committee evaluate some of the requirements of the bill, particularly those contained in (C)(1) at the bottom of page 2 and top of page 3. MTC members in the life sciences industry have noted concerns that these provisions may limit the impact of the bill and are not necessary. Therefore, we respectfully request that this language be eliminated.

In conclusion, we support the intent of this legislation and, with MTC’s suggested amendment, we request a favorable report.

For more information call:

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