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# ARTHRITIS AND RHEUMATISM ASSOCIATES, P.C.

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**SUBJECT:** House Bill 1423 - Health Insurance – Coverage for Specialty Drugs  
**COMMITTEE:** House Health and Government Operations Committee  
The Honorable Joseline Pena-Melnyk, Chair  
**DATE:** Thursday, February 27, 2025  
**POSITION:** FAVORABLE with Amendment

Arthritis and Rheumatism Associates, P.C. is dedicated to the diagnosis and treatment of persons with disorders of the joints, muscles, tendons, and other connective tissue. Our practice integrates excellent medical care with comprehensive services including dispensing specialty drugs. We maintain a full-service laboratory, x-ray facilities, a physical therapy division, seven centers for the diagnosis and treatment of osteoporosis and seven infusion centers.

House Bill 1423 *“prohibits certain insurers, nonprofit health service plans, and health maintenance organizations from excluding coverage for certain specialty drugs that are administered or dispensed by a provider that is an in-network provider of covered medical oncology services, complies with State regulations for the administering and dispensing of specialty drugs, and the specialty drug meets certain qualifications; and requiring the reimbursement rate for certain specialty drugs to meet certain criteria.”*

Specifically, the bill is aimed to ensure patient access to prescription medical oncology drugs through the physician dispenser or pharmacy of their choice. This is an important measure to take to provide for continuity and efficient care and treatment. Maryland licensed physicians are allowed to personally dispense prescription drugs. A physician may dispense Medicare-covered prescription or nonprescription drugs where he or she is authorized by the State to dispense such drugs as part of his or her physician’s license.

Commercial payers have implemented policies that prevent and or limit physician dispensing of drugs, and specialty drugs in particular to their patients. These limitations of a physician’s ability to dispense prescriptions to their patients is a detriment to patient care.

While House Bill 1423 will strengthen patient care by adding provisions that emphasize the importance of patient choice, it is limited in scope to medical oncology drugs. We have been advocating for broader expansion and ideally elimination of the anti-steering exclusion for specialty drugs. Despite efforts over many years, the insurers remain resolute in their opposition to allowing patient choice of pharmacy or dispenser when it is medically necessary and a life preserving component of their ongoing treatment.

While a limited approach, like this bill is taking, is a good first step, it allows for insurers to continue to assert their control over the physician patient relationship and the care plan developed. For this reason, we propose the following amendments in keeping with the limited approach. The amendments would automatically expand the statute to include rheumatology after 1 year from the date of implementation of House Bill 1423. The amendments are as follows:

**Amendment #1:**

Page 4 after line 9 **INSERT** a new subsection

**§ 15-847.3**

**(A) AFTER THE EXPIRATION OF ONE YEAR FROM THE ENACTMENT OF SECTION 15-847.2 THIS SECTION SHALL TAKE EFFECT JANUARY 1, 2027:**

**(1) §15-847.2 (C)(1) SHALL INCLUDE RHEUMATOLOGIC CONDITIONS IN ACCORDANCE WITH §12-102 OF THE HEALTH OCCUPATIONS ARTICLE, AND**

**(2) THE COVERED SPECIALTY DRUGS DISPENSED FOR THE TREATMENT OF RHEUMATOLOGIC CONDITIONS ARE INFUSED, AUTO-INJECTED, OR AN ORAL TARGETED IMMUNE MODULATOR.**

**Amendment 2:**

On page 5 after line 9 **INSERT** the following new Section 4:

**SECTION 4. AND BE IT FURTHER ENACTED, THAT § 15-847.3 OF THIS ACT SHALL TAKE EFFECT JANUARY 1, 2027.**

House Bill 1423 will increase treatment plan adherence, reduce potential waste, and minimize delays-improving overall clinical outcomes.

**For these reasons we ask for a favorable report on House Bill 1423 with the amendment.**

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