



House Health and Government Operations Committee

Position: Unfavorable

House Bill 321

Pharmacy Benefits Managers

Definition of Purchaser and Alteration of Application of Law

January 21, 2025

Dear Chair Pena-Melnyk and Members of the House Health and Government Operations Committee:

The National Association of Insurance and Financial Advisors – Maryland Chapter (“NAIFA-MD”) appreciates the opportunity to submit written testimony on House Bill 321. NAIFA-MD is made up of insurance agents and advisors, financial advisors and financial planners, investment advisors, broker/dealers, multiline agents, health insurance and employee benefits specialists, and more. We are the closest to the consumer and provide products, services, and guidance that increase financial literacy in our society, protect their clients against life’s inherent risks, help hard-working Americans prepare for retirement, and create financial security and prosperity so their clients can leave a legacy for future generations.

NAIFA-MD strongly opposes House Bill 321 because of its detrimental effect on our members’ ability to provide affordable and accessible healthcare to their employer clients.

Local government institutions, private employers, and unions alike will face unprecedented and sweeping policy changes through the passage of HB 321. If enacted, the policy changes from this bill will hamper our members’ ability to provide flexible benefit packages to their employer clients by gutting key federal provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA-based plans are popular with local government institutions, unions, and private employers whose employees are critical to creating and maintaining a Maryland where all individuals and families have an opportunity to thrive. ERISA provides federal protections like uniform regulations and benefits for Maryland's essential civil servants and a whole host of other employees in the private sector, whether they belong to a union or not. This uniform set of standards has allowed employers to provide affordable and accessible healthcare and prescription drugs to their employees.

HB 321 guts protections provided under ERISA and will ultimately increase co-pays, co-insurance, and prescription drug prices for employees who are employed by our members' employer clients. Additionally, the policy changes introduced by this bill could significantly increase healthcare costs over time.

The bottom line is if HB 321 passes, Maryland lawmakers will be responsible for increasing healthcare costs for our public, union, and private sector workers and their families. The cost of providing employer-sponsored healthcare is at an all-time high. This bill is wrong for our hardworking employees no matter who they work for.

NAIFA-MD urges an unfavorable report on HB 321.