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January 23, 2025

The Honorable Joseline Pena-Melnyk  
Chair, House Health and Government Operations Committee  
Room 241  
House Office Building  
Annapolis, MD 21401

**House Bill 321 – Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law**

Dear Chair Pena-Melnyk,

The League of Life and Health Insurers of Maryland, Inc. respectfully **opposes** *HB 321 -- Pharmacy Benefits Managers – Definition of Purchaser and Alteration of Application of Law* and urges the committee to give the bill an unfavorable report.

Health insurance should be simple, effective, and affordable. Patients and employers should not have to navigate complex regulations to get the care they need at a cost they can afford. The League supports a single, cost-saving national standard of regulation for self-funded employer-provided coverage, ensuring more affordable coverage for all, that is easier to understand. A 50-state patchwork of complicated and inconsistent mandates for employer-provided coverage will cause more confusion and make coverage more expensive for Maryland's employers and employees.

For decades, state laws related to state health plans, including all prescription drug benefits, have only been applied to fully insured health subject to regulation by the Maryland Insurance Administration (MIA), and not plans exempted by the federal ERISA law.

We understand the Supreme Court Rutledge decision changed that landscape, but the subsequent *Mulready* challenge has swung the pendulum back towards status quo. It also doesn't change the fact that the proponents are trying to mandate changes to plan design, which carriers are fundamentally opposed to as it is not the carrier decision – the structure of the benefits are designed solely by the plan sponsor.

By extending the provisions of prior PBM law structure to self-insured plans these proposals will restrict the opportunity for health plans to reduce their prescription drug costs. This will also come as a surprise

to a ton of these businesses as they will most likely have zero clue these discussions are taking place – they will see extreme sticker shock if this bill moves forward.

The League thinks that the intent of this bill misses where the financial burden of this bill lands, which is businesses trying to provide coverage at affordable levels to their employees, who will ultimately bear the burden of this legislation

For these reasons, the League urges the committee to give House Bill 321 an unfavorable report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal flourish extending to the right.

Matthew Celentano  
Executive Director

cc: Members, House Health and Government Operations Committee