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—
Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401
March 10, 2026

SB 839 Medical Assistance Programs - Drug Dispensing - Cost-of-Dispensing Survey and Fee-for-Service Professional Dispensing Fee

Chair Beidle, Vice Chair Hayes and member of the Senate Finance Committee:

SB 839 is a straightforward bill that simply mandates that MDH conduct an in-state dispensing survey and regularly conduct those surveys every three years going forward. Additionally, to ensure that the actual fee accurately reflects the underlying data the FFS dispensing fee must be updated to reflect the most recent survey within 6-months.

Talking Points in Support:

- Maryland has not conducted a survey to determine the Medicaid FFS dispensing fee since 2018, which was subsequently implemented by regulation in 2021. We need updated and regular surveys and a clear tie to the FFS fee to accurately reflect practical costs in MD.
- Maryland's current FFS dispensing fee has not kept pace with inflation, labor costs, technology requirements, or regulatory obligations placed on pharmacies. This is especially true since the most recent survey was conducted pre-COVID.
- Independent cost-of-dispensing (COD) studies consistently show that the true cost of dispensing a prescription is significantly higher than Maryland's current reimbursement structure.
- Maryland pharmacists need an accurate reflection of costs in the FFS dispensing fee to help ensure they are appropriately reimbursed and this data is also essential policymakers in both the Legislative and Executive branch to make effective reimbursement decisions.
- This bill does NOT alter current law in any way that ties MCO reimbursement to the FFS fee as seen in other bills in previous years.
- Colorado has a similar mandate for an annual survey, but we believe every 3 years accomplishes the goal with less administrative burden to the Department. Similar bills have been proposed in several states.

- Bill is consistent with other Maryland policies that ensure our workforce, including essential health workers, compensation accurately reflects real world costs.

I respectfully request a favorable on SB 839.