



**House Bill 1384 - Maryland Medical Assistance Program - State Pharmacy Benefits Manager**

**UNFAVORABLE**  
**House Health Committee**  
**March 5, 2026**

Thank you for the opportunity to submit this testimony for House Bill 1384 – Maryland Medical Assistance Program – State Pharmacy Benefits Manager. The Maryland Managed Care Organization Association (MMCOA) represents all nine Managed Care Organizations (MCOs) that serve Medicaid recipients under Maryland’s HealthChoice program. Together, the MCOs finance and arrange care for nearly 1.3 million Marylanders.

MMCOA has significant concerns regarding the bill’s approach, particularly the creation of a single, State-designated Pharmacy Benefits Manager (PBM) and a uniform, state-run formulary for all Medicaid MCOs. By mandating a single State PBM and a single formulary, House Bill 1384 would effectively remove a core managed care function from MCOs at a time when pharmacy costs and drug pricing volatility are impacting Maryland and the nation. Pharmaceutical costs remain one of the top drivers of healthcare spending in Maryland. HB 1384 would remove an MCO’s ability to use its own PBM partnerships and clinical management tools to control these rising costs.

MCOs currently use different PBM arrangements to meet the needs of their members, provider networks, and value-based care models. A single statewide PBM and formulary would significantly reduce flexibility, limit innovation, and constrain MCOs’ ability to tailor pharmacy benefits to support broader care management goals—particularly for high-need populations with complex medication regimens. In addition, concentrating pharmacy purchasing and management into a single entity introduces single-point-of-failure risk and reduces the competitive pressure that currently exists among PBMs and MCOs.

The HealthChoice program has operated successfully for nearly three decades by holding MCOs accountable for quality, access, and cost. Removing pharmacy benefit management from the integrated managed care model weakens that accountability structure and moves the program closer to a fragmented, hybrid system that has historically proven more difficult to manage and control.

For these reasons, MMCOA respectfully requests an unfavorable report on House Bill 1384.

*Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at [jwinn@marylandmco.org](mailto:jwinn@marylandmco.org).*