



601 Pennsylvania Avenue, NW T 202.778.3200
South Building, Suite 500 F 202.331.7487
Washington, D.C. 20004 ahip.org

March 3, 2026

Delegate Heather Bagnall
Chair, House Health Committee
241 Taylor House Office Building
Annapolis, Maryland 21401

RE: HB 1384, Maryland Medical Assistance Program - State Pharmacy Benefits Manager

Dear Chair Bagnall:

AHIP appreciates the opportunity to provide comments on HB 1384, which would replace Maryland's managed care approach with a fee-for-service model for administering prescription drug coverage for more than 1.3 million Marylanders.

AHIP shares policymakers' goal of lowering prescription drug costs, a key driver of overall health care spending. However, reverting to a fee-for-service structure through a statutorily mandated single, statewide pharmacy benefit manager (PBM) is not the appropriate means to achieve this goal. Medicaid managed care remains one of the most effective tools available to states for improving health outcomes, enhancing beneficiary experience, and supporting fiscal stability.

HB 1384 would require the Maryland Medical Assistance Program to utilize a single, state government-contracted PBM. This approach would limit managed care organizations' ability to customize formularies, coordinate care interventions across medical and pharmacy benefits, or tailor coverage to local needs. It would also reduce competition that helps constrain drug costs by concentrating purchasing authority and decision-making within a single entity. This shift risks disrupting care coordination, undermining beneficiary outcomes and reversing longstanding progress in quality and fiscal stewardship.

As states nationwide work to strengthen and modernize Medicaid programs, managed care continues to serve as a proven, value-driven delivery model that advances state policy goals while improving outcomes for beneficiaries.

For these reasons, **AHIP respectfully requests an unfavorable report on HB 1384.** Thank you for your continued leadership and commitment to strengthening Medicaid for the individuals and families who rely on it. We welcome the opportunity to discuss these findings further or assist in tailoring insights for Maryland's unique needs.

Thank you.

Sincerely,

Keith Lake
Regional Director, State Affairs
klake@ahip.org / 220-212-8008

AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.