



Committee: House Health Committee

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

Hearing Date: March 5, 2026

Position: Support

The Independent Pharmacies of Maryland (IPMD) support House Bill 1384 - *Maryland Medical Assistance Program - State Pharmacy Benefits Manager*. The bill would require the state of Maryland to create a single, state-contracted pharmacy benefits manager (PBM) to administer prescription drug benefits for Medicaid. The bill directs the Maryland Department of Health to select and contract with that PBM by July 1, 2028. Medicaid managed care organizations would have to use this state-selected PBM for their pharmacy services. The bill also requires pass-through pricing, bans spread pricing, imposes transparency requirements, and establishes a fiduciary duty to help control drug costs.

IPMD supports the bill because it requires pass-through pricing and greater transparency which would make it clearer how much money is being paid to pharmacies versus retained by the PBM. A single, state-contracted PBM could create more consistent reimbursement rules across Medicaid managed care plans. That consistency would reduce administrative burdens and contract complexity that can be especially challenging for small, independent pharmacies. Independent pharmacies support the bill as a way to promote fairer payments and a more predictable Medicaid pharmacy system.

Currently Virginia has moved in this direction and has recently finalized a Medicaid Pharmacy Benefit Manager Study, which was published on December 1, 2025¹ and is expected as a guide as Virginia transitions to a single PBM in Medicaid. Included below are some of the report's findings:

- Current Medicaid MCO reimbursement rates are often below the cost to dispense, putting independent pharmacies at financial risk.
- Many areas lack convenient pharmacy access, creating barriers for Medicaid patients.
- Dealing with multiple PBMs increases administrative burden for pharmacies, which a single PBM could reduce.
- Consolidating PBMs could improve transparency in rebates, fees, and reimbursement practices.

¹ <https://rga.lis.virginia.gov/Published/2025/HD8/PDF>

- Careful implementation of a single PBM model can protect patients from disruptions in access or treatment.

House Bill 1384 represents a significant step toward a fairer, more transparent, and efficient Medicaid pharmacy system in Maryland. By establishing a single, state-contracted PBM with pass-through pricing, clear reimbursement rules, and greater oversight, the bill supports independent pharmacies and ensures patients have reliable access to their medications.

We hope Maryland moves in a similar direction and we request a favorable report on House Bill 1384. If we can provide any further information, please contact Michael Paddy at mpaddy@policypartners.net.