



Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

April 2, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
241 Taylor House Office Building
Annapolis, MD 21401-1991

**RE: Senate Bill 839 – Medical Assistance Programs – Drug Dispensing –
Cost-of-Dispensing Survey – Letter of Information**

Dear Chair Bagnall and Committee members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for Senate Bill (SB) 839 – Medical Assistance Programs – Drug Dispensing – Cost-of-Dispensing Survey. Effective in calendar year (CY) 2026, SB 839 would require the Department to conduct a cost-of-dispensing (COD) survey at least every three years and to report the results of the survey to the General Assembly by December 1st of the year the survey is completed.

To conduct the survey, approximately \$81,000 total funds (TF) (\$40,500 general funds (GF), \$40,500 federal funds (FF)), would be needed at least every three years.

The Department notes that there are currently no federal requirements regarding how often COD surveys should be done and the Centers for Medicare and Medicaid Services has no requirements mandating that COD surveys be conducted on a specific schedule or timeframe so long as fees meet the general requirements of the Social Security Act (i.e., Section 1902(a)(30)(A)) relating to efficiency, economy, sufficiency and quality of care. Most states do not currently have a requirement to conduct COD surveys at specific intervals and tend to perform COD surveys on an ad hoc basis.

If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Governmental Affairs at meghan.lynch@maryland.gov.

Sincerely,

Meena Seshamani, M.D., Ph.D.
Secretary of Health