

MedChi

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TO: The Honorable Thomas Mac Middleton, Chair
Members, Senate Finance Committee
The Honorable Peter A. Hammen

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: March 27, 2014

RE: **SUPPORT** – House Bill 761 – *Health Insurance – Specialty Drugs*

The Maryland State Medical Society (MedChi), which represents more than 8,000 Maryland physicians and their patients, supports House Bill 761.

House Bill 761 addresses the provision of specialty drugs designed to be prescribed for “complex chronic medical conditions” as well as “rare medical conditions” as defined at page 2, lines 22-25 and page 3, lines 11-14. These conditions require extremely expensive prescription drugs which cost \$600 or more for a 30 day supply.

House Bill 761 places a co-insurance limit of \$150 for a 30 day supply on such specialty drugs. That \$150 limit is indexed for inflation by the provisions of the bill (page 4, lines 11-17). MedChi believes that this is an appropriate limitation which brings the specialty drugs into the range of affordability for those patients suffering complex, chronic or rare medical conditions. As such, the legislation provides appropriate monetary relief.

While MedChi supported House Bill 761 in its original form, House amendments which were added to the bill make it even more attractive. While an insurer subject to the bill is allowed to distribute covered specialty drugs through its pharmacy network, non network pharmacies are allowed to apply to be in the network provided they meet the insurer’s performance standards and accept the network reimbursement rate (page 4, line 26 through page 5, line 12). This amendment provides the opportunity for a more broadly based pharmacy network including pharmacies owned by Federally Qualified Health Centers. MedChi believes this is an important addition to the bill.

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In addition, the dispute over what is a “specialty drug” is to be solved by filing a complaint with the Insurance Commissioner (page 5, lines 15-28). MedChi believes this is an important addition in giving the patient a forum to redress disputes.

MedChi believes House Bill 761 will provide substantive relief to individuals suffering unique and serious medical conditions and would ask for a favorable report on House Bill 761.

For more information call:

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