



The Maryland State Medical Society  
1211 Cathedral Street  
Baltimore, MD 21201-5516  
410.539.0872  
Fax: 410.547.0915  
1.800.492.1056  
www.medchi.org

MID-ATLANTIC ASSOCIATION OF  
COMMUNITY HEALTH CENTERS  
Serving Maryland and Delaware



American Academy of Pediatrics  
DEDICATED TO THE HEALTH OF ALL CHILDREN™  
Maryland Chapter



TO: The Honorable Delores G. Kelley, Chair  
Members, Senate Finance Committee  
The Honorable Antonio Hayes

FROM: Danna L. Kauffman  
Pamela Metz Kasemeyer  
J. Steven Wise  
Richard A. Tabuteau  
410-244-7000

DATE: February 20, 2019

RE: **SUPPORT** – Senate Bill 405 – *Health Insurance – Prescription Drugs – Formulary Changes*

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On behalf of the Maryland State Medical Society (MedChi), the Mid-Atlantic Association of Community Health Centers (MACHC), the Maryland/District of Columbia Society of Clinical Oncology (MDCSCO), and the Maryland Chapter of the American Academy of Pediatrics (MDAAP), we submit this letter of **strong support** for Senate Bill 405: *Health Insurance – Prescription Drugs – Formulary Changes*. Senate Bill 405 is a consumer protection bill to increase transparency and ensure continuity of care for patients. Senate Bill 405 prohibits insurers, nonprofit health plans, HMOs and PBMs (“carriers”) from:

- Removing a prescription drug from its list of covered drugs during the plan year unless the federal Food and Drug Administration (FDA) has issued a statement questioning the clinical safety of the drug; the manufacturer of the drug has notified the FDA of a manufacturing discontinuance or potential discontinuance; or the prescription drug is approved by the FDA for use without a prescription.
- Reclassifying a prescription drug during the plan year to a more restrictive drug tier or moving a drug to a higher cost-sharing tier or a tier with a larger deductible, copayment or coinsurance, unless a generic equivalent becomes available.
- Adding a utilization management restriction during the plan year (imposing or altering a quantity limit; adding a prior authorization requirement; or imposing a step therapy protocol restriction).

Senate Bill 405 does allow changes to the above if the change is at the time of renewal and prior to the open enrollment period. Notice of any change must be given to the affected member and the affected member’s authorized prescriber 60 days prior to the change.

If passed, Maryland will join at least ten other states, plus Medicare, in prohibiting carriers from being able to make mid-year changes to health plans. Health care costs continue to increase, with individuals paying more out-of-pocket in the form of both premiums and cost sharing. According to the U.S. Department of

Health and Human Services, the percentage of individuals under age 65 with private health insurance enrolled in a high-deductible health plan increased, from 43.7% in 2017 to 46.0% in the first 6 months of 2018.

As such, consumers must be better “shoppers of health care,” an initiative promoted by the State. For example, in 2008, the Maryland Health Care Commission launched <https://www.wearthecost.org/> to better inform consumers of how costs for the same procedure may differ between hospitals. Consumers should feel confident that the health plan they purchase in the beginning of the plan year will remain consistent through the plan year, especially given the fact that individuals can only switch health plans during open enrollment. This is especially true for individuals with chronic or serious conditions. Many often choose their health plan based on whether their medication is covered and that it is covered under an affordable cost tier. Requiring an individual to change medication without consideration of the medical repercussions or the reasoning behind the physician’s decision to initiate a medication places the patient’s health at risk, potentially causing adverse side effects and decreased effectiveness of the medication.

Senate Bill 405 is about fairness. Fairness in purchasing a health plan and being confident that it will remain the right health plan for you throughout the year. For the reasons stated above, we request a favorable vote on Senate Bill 405.