



Written Testimony of the Maryland Association of Counties  
Prepared for the Pharmacy Benefits Managers Workgroup

Dear Pharmacy Benefits Managers Workgroup,

On behalf of the Maryland Association of Counties (MACo), which represents Maryland's 23 county governments and Baltimore City, we appreciate the opportunity to submit written comments following the first meeting of the Pharmacy Benefits Manager (PBM) Workgroup.

As this process moves forward, we respectfully urge the Workgroup to keep the concerns of Maryland's counties, and the employees and residents they serve, at the forefront, particularly those counties that self-insure their employee health plans. Self-funded plans remain a critical tool for counties to provide affordable, flexible, and accessible healthcare. These plans operate under the Employee Retirement Income Security Act of 1974 (ERISA), which has provided uniform federal standards for employer-sponsored health coverage for more than five decades.

We note the Workgroup's charge under HB 813 to "review ERISA exemptions for pharmacy benefits management regulation." Any discussion regarding ERISA must recognize the value of consistent federal standards, which allow counties to manage benefits efficiently, maintain fiscal responsibility, and balance costs and care for employees.

Given the ongoing legal uncertainties surrounding ERISA preemption, as highlighted during the September 17 ERISA-focused meeting, now is not the time for the Workgroup to make policy decisions that could disrupt county health plan administration. We strongly support a data-driven approach that promotes transparency, accountability, and fair competition in PBM practices, but caution against reforms that would restrict formulary management, weaken rebate negotiation authority, or duplicate existing ERISA protections. Such changes risk harming counties and their ability to provide cost-effective healthcare to employees.

Thank you for the opportunity to provide input. MACo looks forward to continued engagement and constructive dialogue as the Workgroup advances its 2025 agenda and prepares its interim report.