

March 31, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
240 Taylor House Office Building
Annapolis, Maryland 21401

Re: Support for SB 839 (FAV)

Dear Chair Bagnall and Members of the Committee,

I am writing on behalf of the National Community Pharmacists Association (NCPA) in support of SB 839, which would require the Maryland Department of Health to conduct regular cost-of-dispensing (“COD”) surveys to better inform Medicaid pharmacy reimbursement.

NCPA represents the interest of America’s community pharmacists, including the owners of more than 300 independent community pharmacies in Maryland and more than 19,400 independent community pharmacies across the United States. These pharmacies employed more than 4,000 individuals, and they filled more than 22 million prescriptions in 2024.

Under current federal Medicaid policy, pharmacy reimbursement is based on the National Average Drug Acquisition Cost (NADAC) plus a professional dispensing fee intended to reflect the true cost of dispensing a prescription. However, Maryland has not updated its dispensing fee based on a recent, comprehensive cost-of-dispensing survey. The most recent survey from 2018 reflects data that is now significantly outdated relative to current operating conditions.

Regular and transparent COD surveys are critical to ensuring that Medicaid reimbursement accurately reflects the cost of providing pharmacy services. Without updated data, dispensing fees risk falling below the actual cost of care, threatening pharmacy sustainability and, ultimately, patient access to medications and pharmacy services.

SB 839 takes a balanced and reasonable approach by:

- Requiring the Department to conduct COD surveys at regular intervals;
- Ensuring that dispensing fees are informed by current, real-world data; and
- Providing policymakers with the necessary information to make evidence-based reimbursement decisions.

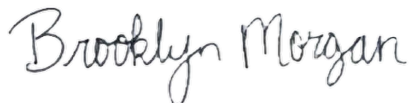
As amended, the bill no longer requires the automatic implementation of survey results. NCPA strongly encourages the State to commit to using the findings of these surveys to update the Medicaid professional dispensing fee in a timely and transparent manner. Conducting surveys

without a clear path to implementation risks limiting their impact and undermining their purpose.

Across the country, independent COD studies consistently demonstrate that the true cost of dispensing a prescription exceeds current reimbursement levels in many states. Ensuring accurate reimbursement is essential to maintaining a stable pharmacy network and preventing further pharmacy closures, which can disproportionately impact vulnerable populations.

For these reasons, NCPA respectfully urges the Committee to issue a favorable report on SB 839. Thank you for receiving our perspective. If you have any questions, please do not hesitate to contact me at (703) 600-1179 or brooklyn.morgan@ncpa.org.

Sincerely,

A handwritten signature in cursive script that reads "Brooklyn Morgan".

Brooklyn Morgan, PharmD
Associate Director, State Government Affairs