

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 786
 Finance

(Senator McKay)

Task Force on Access to Pharmacy Services and the Impact of Telepharmacy in Maryland

This bill establishes the Task Force on Access to Pharmacy Services and the Impact of Telepharmacy in Maryland. The Maryland Department of Health (MDH) and the Department of Legislative Services (DLS) must jointly provide staff for the task force. Members may not receive compensation but are entitled to reimbursement for expenses under standard State travel regulations. The task force must submit an interim report by May 1, 2025, and a final report by December 1, 2025. **The bill takes effect July 1, 2024, and terminates June 30, 2026.**

Fiscal Summary

State Effect: MDH general fund expenditures increase by \$103,700 in FY 2025, and \$69,400 in FY 2026, for contractual support to staff the task force and complete the required reports. DLS can provide staffing support to the task force with existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	103,700	69,400	0	0	0
Net Effect	(\$103,700)	(\$69,400)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force must:

- analyze access to pharmacy services for all residents of the State with a focus on rural communities;
- identify areas of the State where a significant number of residents travel more than 10 miles to obtain needed medications and the impact of these “pharmacy deserts” on population health;
- identify barriers to pharmacists providing pharmacy services and telepharmacy in “pharmacy deserts”;
- analyze the specific impact of each barrier;
- assess options to eliminate the barriers; and
- make recommendations regarding methods for increasing access to pharmacy services and the use of telepharmacy in the State.

Current Law: Maryland’s Medicaid managed care program (HealthChoice) must ensure that an enrollee has access to a pharmacy that is licensed by the State and within a reasonable distance from the enrollee’s residence.

Under Maryland regulations (COMAR 10.67.05.06), a managed care organization (MCO) must develop and maintain a provider network that ensures that enrollees have access to the sites at which they receive pharmacy services (as well as other specified services). To meet geographical access standards, an MCO must provide services within a specified distance of each enrollee’s residence. In urban areas, enrollees must have access within 15 minutes or 10 miles of their residence; in suburban areas, within 30 minutes or 20 miles; and in rural areas, within 40 minutes or 30 miles.

For purposes of MCO geographical access standards, “urban” enrollment area includes Baltimore City. “Suburban” enrollment areas include Anne Arundel, Baltimore, Carroll, Harford, Howard, Montgomery, and Prince George’s counties. “Rural” enrollment areas include Allegany, Calvert, Caroline, Cecil, Charles, Dorchester, Frederick, Garrett, Kent, Queen Anne’s, St. Mary’s, Somerset, Talbot, Washington, Wicomico, and Worcester counties.

State Expenditures: MDH general fund expenditures increase by \$103,741 in fiscal 2025, which reflects the costs of hiring part-time contractual support and using the services of an outside consultant. This estimate assumes that MDH hires (1) one part-time (25%) program manager to support the task force and write the required reports; (2) one part-time (25%) health policy analyst to staff the task force and provide research assistance; and (3) an outside consultant to complete the studies and analyses required under the bill. It includes

salaries, fringe benefits, one-time start-up costs, consultant costs, and ongoing operating expenses.

	<u>FY 2025</u>	<u>FY 2026</u>
Contractual Positions	0.5	(0.5)
Salaries and Fringe Benefits	\$40,309	\$19,103
Consultant Services	50,000	50,000
Other Operating Expenses	<u>13,432</u>	<u>273</u>
Total State Expenditures	\$103,741	\$69,376

Fiscal 2026 expenditures reflect termination of the contractual positions on December 31, 2025, following submission of the task force’s final report.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Comments: According to GoodRx, [over 40% of U.S. counties](#) are considered “pharmacy deserts,” with a majority of residents having to drive more than 15 minutes to reach nearby pharmacies.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Association of Counties; Maryland Higher Education Commission; University System of Maryland; Maryland Department of Health; Department of Legislative Services

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rh/jc

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