

**Date:** February 27, 2020

**To:** The Honorable Shane Pendergrass

**From:** Tom Wieland

**Cc:** Members, Health and Government Operations

**RE: SUPPORT HB 0756** - Maryland Medical Assistance Program and Managed Care Organizations That Use Pharmacy Benefits Managers - Reimbursement Requirements

---

My name is Tom Wieland. I own Ritchie Pharmacy in Brooklyn Park, MD, which is 1 mile south of the Baltimore City line. I am here in support of House Bill 756.

Neighborhood pharmacies are a necessary component of health care, whether they are in rural areas where the distance to a pharmacy or doctor may limit access and convenience or in urban areas where large chains will not go and people walk to everything. Pharmacies all over the country are closing because they are just not profitable unless they are owned by PBMs. If this bill, or some level of it, is not passed, many more will close. In my store, the majority of patients have MD Medicaid.

To demonstrate what is happening, unfortunately, I'm going to bore you with some numbers, but I feel it will help to demonstrate what is happening.

Here are 2 MD Medicaid examples of MCO's that have decreased their payments over the past few years:

- Amerigroup: In 2016, I filled 3678 prescriptions for a gross profit of 4.98 % or \$3,678. In 2017, it went to 2.27 % gross profit resulting in \$1,704. In 2018, it changed to .76 % or \$647. In 2019, it went to -2.10% gross profit and I filled 4514 prescriptions for a loss of \$11,023.
- Priority Partners: In 2016, 3,694 prescriptions for a 2.81% gross profit or \$8,766, .15% gross profit in 2017, -2.7% in 2018 and 2019, resulting in a loss of \$7,051 in 2018 and a loss of \$7,274 in 2019.

In 2017, Amerigroup paid \$10.41 for 120 metformin for a profit of \$6.60, in 2020 they paid \$1.51 for the same drug and quantity at a loss of \$2.05.

This will continue to happen unless this bill is passed, and a minimum reimbursement and reasonable dispensing fee are established.