



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

February 25, 2021

**Senate Bill 615 Pharmacy Benefits Managers – Prohibited Actions**

Senate Bill 615 would add to the statutory list of prohibited acts by Pharmacy Benefit Managers (PBMs). PBMs

1. Diminishing reimbursement to a pharmacy based on patient outcomes.
2. The practice of “spread pricing”
3. Denying the right of a pharmacy to participate in a plan if the pharmacy agrees to the terms and conditions of the plan.
4. Setting of different fees for a copay based on whether the pharmacy is an affiliate of the PBM.
5. The requirement that the beneficiary of a plan use a mail order pharmacy.

**WHAT IS THE NEED FOR THE BILL?**

This bill will prohibit certain unfair, anti-competitive, and anti-consumer practices by PBMs. For example, PBMs should not be permitted to reduce reimbursement to a pharmacy based on patient outcomes. It should not be able to engage in “spread pricing”, where it reimburses a pharmacy for a lesser amount than it is paid for the drug by the insurer or prescription plan. It then pockets the difference. A PBM should be required to permit any pharmacy to participate in a prescription plan if the pharmacy is willing to accept the terms and conditions of the plan. Consumers want the choice of having prescriptions filled where they choose, and this bill will allow that. Copays should be the same for all pharmacies. PBMs should not be permitted to favor affiliated pharmacies by setting a lower copay at those pharmacies. And finally, mail order pharmacies. Again, this should be the choice of the consumer, and not a requirement imposed by PBMs to favor affiliated mail order pharmacies over independent community pharmacies .

I respectfully request a favorable on Senate Bill 615.