



A Network Of
Independently Owned
Pharmacies

Testimony offered on behalf of:
EPIC PHARMACIES, INC.

IN SUPPORT OF:
HB 0601 – Pharmacy Benefits Managers - Definition of Purchaser and ERISA.

House Health and Government Operations Committee
Hearing 2/10 at 1:30 PM

EPIC Pharmacies, Inc. **SUPPORTS HB 0601** – Pharmacy Benefits Managers - Definition of Purchaser and ERISA.

We have been following federal ERISA lawsuits related to PBMs for the last several years as they made their way through the court system and were encouraged in 2020 when the Supreme Court decided to hear *Rutledge v. PCMA*. This case was brought by the Arkansas Attorney General in defense of a 2015 law that regulates PBM reimbursement to pharmacies and mandates fair payments for all insurance plans represented by the PBMs. When the case was postponed in April due to the pandemic, we never thought we would have a ruling prior to the 2021 legislative session. Myself, and the collective pharmacy community, were surprised when the Court quickly returned a unanimous decision in December on behalf of *Rutledge* and the State of Arkansas.

In this Committee and Subcommittee hearings for as long as we can remember, we have heard from PCMA that any State law regulating PBMs is preempted by ERISA and therefore only represents the fully insured marketplace. The Supreme Court once and for all eliminated this argument and has indicated that all PBM plans are subject to regulation by State Legislatures and committees such as this one. HB 0601 is a simple bill that eliminates the mention of ERISA in the definition of a purchaser and therefore cleans up Maryland law to eliminate any reference to or limitations based on this federal statute. We believe this will allow the State to enforce all current PBM laws in a way that more uniformly regulates the industry and allows for a more level playing field which ultimately benefits patients.

I thank the committee for all the work they have done in the last several years and respectfully ask your support for HB 0601.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian M. Hose".

Brian M. Hose, PharmD
EPIC PharmPAC Chairman
brian.hose@gmail.com

Mt. Vernon Pharmacy

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Prescription and Over the Counter Medications * Prescription Counseling * Diabetes Supplies * Vaccinations

HB 601 – Pharmacy Benefit Managers – Definition of Purchaser and ERISA
Hearing 2/10/2021 at 1:30 PM

I would urge the committee to Support HB 601 – MIA – Pharmacy Benefits Managers – Definition of Purchaser and ERISA.

Do you want the bills that the Maryland legislature passes into laws to be relevant?

For as long as I can remember, PBM's have asserted that local state laws have very little impact and effect because the PBMS activities are exempt from Maryland laws because of ERISA preemption.

On December 10, 2021, now considered a national holiday by Community Pharmacists, The Supreme Court unanimously ruled in Rutledge vs. PCMA, that PBM's are indeed not exempt from state laws because of ERISA.

This bill, with input from the Attorney General's office cleans up language in Maryland law as a result of the Supreme Court ruling.

If the legislature passes legislation in hopes that it has meaning, I cannot imagine how this bill could be opposed by any legislator in the general assembly.

I respectfully request a favorable opinion on HB 601.

Sincerely,



Steve Wiener, Pharmacist
Mt. Vernon Pharmacy and Mt. Vernon Pharmacy at Fallsway
EPIC PharmPAC Treasurer