

PRESCRIPTION DRUG PRICES, PBMs, AND PHARMACIES IN MARYLAND

PBMs are advocates for consumers in the fight against high list prices

PBMs will save

\$17.32B

across all Maryland health programs over ten years.¹

PBMs will save

\$6.7B

via mail-service and specialty pharmacies (2015–2024).²

PBMs saved

\$70M

5 year period (2011–2016) in Maryland Medicaid.³

PBMs save payers and patients an average of **\$962 per person per year**⁴

PBMs put downward pressure on manufacturer drug prices

PBMs will prevent **1 billion medical errors over the next 10 years**⁵

SAVINGS ARE REALIZED THROUGH:

✓ Encouraging the use of generic and lower cost brand drugs

✓ Reducing waste and increasing adherence

✓ Negotiating price concessions with drug manufacturers

✓ Creating networks of affordable, high quality pharmacies

✓ Providing clinical support to patients taking specialty medications



Drug makers alone set the price of drugs

Although PBMs negotiate with drugmakers to bring down the net cost of Rx drugs, manufacturers are ultimately responsible for setting the list prices of their products. **PBMs drive prices down by forcing manufacturers to compete with one another.**



Nationwide independent pharmacies are increasing, not decreasing⁶

Between 2010 and 2019, the number of **independent pharmacies increased by more than 2,600 stores, or 12.9%.**

On average, there is an **increase of six independent stores per year** from 2010–2019 nationwide.



36% of pharmacies in Maryland are independent pharmacies⁷

Independent pharmacies say they're getting squeezed out of business, but NCPA states the number nationally has been "holding pretty steady" for several years.⁸ In Maryland, between 2010 and 2019, **the number grew from 313 to 426, a 36.1% increase.**⁹

1 Visante, PBMs: Generating Savings for Plan Sponsors, Feb. 2016.

2 Visante, Mail-Service and Specialty Pharmacies to Save More than \$300 Billion Over 10 Years, 2014.

3 United Health Group, Pharmacy Benefit Management Can Save Medicaid Drug Programs Over \$100B, available at www.unitedhealthgroup.com

4-5 Visante, The Return on Investment (ROI) on PBM Services, 2020.

6-7, 9 Independent Pharmacy Market: Quest Analytics analysis of NCPDP dataQ data, 2019.

8 Independent Pharmacies Fight to Survive in Colorado Springs, Gazette, Dec. 1, 2018.