



A Network Of  
Independently Owned  
Pharmacies

Testimony offered on behalf of:  
**EPIC PHARMACIES, INC.**

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**IN SUPPORT OF:**

**HB 0709 – Pharmacy Benefits Managers - Drug Reimbursement - Reporting Requirements**

House Health and Government Operations Committee

Hearing 2/10 at 1:30 PM

EPIC Pharmacies, Inc. **SUPPORTS HB 0709** – Pharmacy Benefits Managers - Drug Reimbursement - Reporting Requirements.

We believe that this bill will help the State of Maryland understand what we have been telling this committee over a decade. Pharmacies and especially independent pharmacies are being reimbursed below cost on an ever increasing percentage of claims and it is slowly forcing us out of your Maryland communities. This bill mandates that PBMs report when they knowingly underpay pharmacies for the prescriptions that they provide to their members. The National Average Drug Acquisition Cost or NADAC is an independently determined cost for prescription drugs that is determined by an ongoing random sample of pharmacy invoices conducted by Myers and Stauffer for CMS. This national data is published weekly and serves as the most accurate determination of actual drug costs that are paid by pharmacies. NADAC, paired with the Medicaid Fee for Service (FFS) dispensing fee which is calculated by surveying the actual direct and indirect costs associated with filling a prescription, accurately represents what it costs a pharmacy to provide any medication to a patient in the State of Maryland.

By supporting this bill and its requirement for PBM reporting, you will make it easy for this committee and others to see exactly how many of these claims are reimbursed below the pharmacy cost in a given quarter. This will shed light on just how dire the situation is for pharmacies that must rely on PBMs to set the price for the goods and services that we, their competitors, provide. If PBM payments to pharmacy are fair, these reports will show that very few claims are reimbursed below the break-even calculation of NADAC plus the FFS dispensing fee.

We respectfully ask the committee to support HB 0709 so that we might shed light on our situation and help the State of Maryland better understand how unfairly community pharmacies are paid.

Sincerely,

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EPIC PharmPAC Chairman  
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