

TO: The Honorable Shane Pendergrass
Chair, House Health Government and Operations Committee

FROM: Annie Coble
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Priority Partners expresses its opposition to **House Bill 709 Pharmacy Benefits Managers – Drug Reimbursement – Reporting Requirements**. Priority Partners MCO (PPMCO) is the largest Medicaid managed care organization (MCO) in the State with over 324,000 members in the HealthChoice programs. Priority Partners is owned jointly by Johns Hopkins Health Care LLC and Maryland Community Health System, which consists of 7 Federally Qualified Health Centers. It has the distinction of being the only MCO with all staff and operations based in Maryland.

This bill requires pharmacy benefit managers (PBM) that contract with MCOs to provide quarterly reports to the Maryland Insurance Commission of all drugs appearing on the national average drug acquisition cost list that were reimbursed by the PBM. Priority Partners has several concerns with this legislation. The first is the administrative burden that would undoubtedly increase costs to health plans.

Secondly, the legislation requires the public disclosure of proprietary and competitive financial information at the drug level which is anti-competitive. Essentially, this would disclose to pharmacies their competitors' reimbursement rates and disclose to other PBMs each other's competitive information. This could take away the incentive for pharmacies to compete on price and quality to join networks.

MCOs already share the majority of this information with Maryland Department of Health as a part of the Medicaid program. Ideally, there should be some way for Maryland Department of Health and the Maryland Insurance Administration to transfer this data without adding tremendous burden to the MCOs. For these reasons, Priority Partners urges an unfavorable report **on House Bill 709 Pharmacy Benefits Managers – Drug Reimbursement – Reporting Requirements**.