



**HB603 Health Insurance - Pharmacy Benefits Managers - Explanation of
Benefits Statements
House Health and Government Operations Committee
Position: SUPPORT WITH AMENDMENTS
February 10, 2021**

Background: Requiring pharmacy benefits managers (PBM) to provide to beneficiaries for whom the PBM manager processed or paid a claim for prescription drugs during the immediately preceding 3-month period an explanation of benefits statement on a form approved by the Maryland Insurance Commissioner and on a quarterly basis; requiring that the explanation of benefits statements contain certain information regarding certain claims for prescription drugs; and applying the Act.

Written Comments: We would ask that lines 20-22 be removed from the bill as they require the PBM to report to the beneficiary the amount that the PBM pays the pharmacy. What the PBM pays the pharmacy is negotiated data that is the result of nonpublic competitive bargaining, is highly confidential and commercially sensitive and constitutes trade secrets. Making proprietary negotiated-rate data freely available would stifle individual negotiations and hinder price competition and efforts to lower prescription drug costs. The loss of proprietary confidences would impose significant and unjustified burdens on both pharmacies, in their future negotiations with health insurers, and on the health care delivery system.

We support the other components of the bill providing drug reimbursement transparency. Pharmacy has long advocated that these numbers are available to ensure fair payment, proper representation of generic and brand drugs, monitoring brands they receive the highest rebates on and rebates in general, profits made on spread pricing by charging health plans more than they reimburse pharmacies and monitoring any fluctuations. The lack of transparency is harming pharmacies and ultimately harms consumers.

It is for the above reasons we support the bill with amendments by striking on page three lines 20-22.

