



A Network Of
Independently Owned
Pharmacies

Testimony offered on
behalf of:

EPIC PHARMACIES, INC.

IN SUPPORT OF:

**SB0823 – Pharmacy Services Administrative Organizations and Pharmacy Benefits
Managers - Contracts**

**Senate Finance Committee
Hearing 3/16/22 at 1:00 p.m.**

EPIC Pharmacies, Inc., a Pharmacy Services Administrative Organization (PSAO) that has served Maryland independent pharmacies for 30 years, would like to express its **support for SB0823 – Pharmacy Services Administrative Organizations and Pharmacy Benefits Managers – Contracts.**

SB0823 corrects undue logistical burdens imposed by the passage of HB0978 in 2020 on all PSAOs operating in Maryland. EPIC is greatly concerned about the burden of HB0978 on our ability to continue operating in Maryland — and without the essential services that we provide to 134 Maryland independent pharmacies, many would not be able to remain open to serve the patients in their communities. We are grateful to the sponsor for introducing SB0823, which would correct some of the most pressing logistical burdens unintentionally caused by the 2020 bill.

Independent pharmacies have worked harder than ever to support Maryland communities through the COVID-19 pandemic. They have administered tests, vaccines, and boosters and provided patients sound medical advice during an otherwise uncertain time. In addition to these pandemic stresses, they face complex administrative pressures that make running a business a challenge. For example, pharmacies must sign and manage many different contracts just to procure medications for their patients and guarantee that insurers will cover patient prescriptions.

For large chain pharmacies, dealing with this red tape is no problem. They have a large, specialized staff that negotiates directly with Pharmacy Benefit Managers (PBMs). On the other hand, independent pharmacies struggle to manage these relationships and run their small business

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at the same time. That is why PSAOs exist, to help alleviate these burdens. EPIC takes care of the back-office responsibilities and manages complex administrative and operational tasks on their behalf, such as handling the intricacies of claims, contracts, reimbursements, compliance, and credentialing. EPIC is a member owned organization that works to provide these services at the lowest cost possible to our pharmacies.

Furthermore, EPIC does not influence the price of medications or drug benefits. Regulating us like a PBM not only misaligns with our business model and function but will not bring any greater prescription drug price transparency. Instead, the undue burdens placed on PSAOs by HB0978 (2020) threaten our ability to operate.

EPIC requests the Committee's **favorable report on SB0823** to enable EPIC to continue providing essential support to independent pharmacies and pharmacies to fulfill their primary function: helping keep Maryland communities healthy.

Respectfully submitted,

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