

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) in Maryland.²

PBMs will save
\$706M
 over a 10-year period (2020–2029) in Maryland Medicaid.¹

PBMs save payers and patients an average of \$962 per person per year³

PBMs put downward pressure on manufacturer drug prices

PBMs will prevent 1 billion medication errors over the next 10 years nationally³

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 decreasing^{4,5}

Between 2011 and 2021, the number of **independent pharmacies increased by more than 2,645 stores, or 12.8%.**⁵



36.9% of pharmacies in Maryland are independent pharmacies⁵

Independent pharmacies say they're getting squeezed out of business, but NCPA states the number nationally has been "holding pretty steady" for several years.⁶ According to Adam Fein and Drug Channels, the number of independent pharmacies has been generally stable, noting that "There is little evidence that independent pharmacies are vanishing."⁷

In Maryland, between 2011 and 2021, **the number grew from 311 to 423, a 36.0% increase.**⁵

1 Visante, PBMs: Generating Savings for Plan Sponsors, Feb. 2020.

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

3 Visante, The Return on Investment (ROI) on PBM Services, 2020.

4 Independent Pharmacies in the U.S. are More on the Rise than on the Decline, March 2020.

5 Quest Analytics, Pharmacy Counts, 2021. Pharmacy count data is from January of a given year.

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

7 Drug Channels, Pharmacy Economics Rebound (A Little) Amid Glimmers of Good News, Feb. 2, 2021.