



A Network Of
Independently Owned
Pharmacies

Testimony offered on behalf of:
EPIC PHARMACIES, INC.

IN SUPPORT OF:

HB 0755 – Pharmacy Benefits Managers – Prohibited Actions

House Health and Government Operations Committee

Hearing 3/10 at 1:30 PM

EPIC Pharmacies, Inc. **SUPPORTS HB 0755** – Pharmacy Benefits Managers – Prohibited Actions.

We have said for years that there needs to be transparency and regulation in the prescription marketplace because of the games that are played with the payment of pharmacy claims. This bill regulates many of the issues that have plagued independent pharmacies and given control of the market to a few large PBMs. Restrictive networks, mandatory mail order, spread pricing, differential copays, slow credentialing, and retroactive fees have made it nearly impossible for pharmacies to survive in the current marketplace.

By supporting this bill and its requirements for PBMs, you will help to level the playing field and give consumers the power to choose the pharmacy that best fits their needs. This bill helps patients by allowing their chosen pharmacy to participate in all networks and provide equivalent copays. We have said many times that allowing more pharmacies to provide services to patients doesn't increase costs but does increase access for the consumer.

We respectfully ask the committee to support HB 0755 so that we can protect patient choice and continue to serve our Maryland communities.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian M. Hose".

Brian M. Hose, PharmD
EPIC PharmPAC Chairman
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Controlling PBM Conflicts of Interest Does Not Raise Healthcare Costs

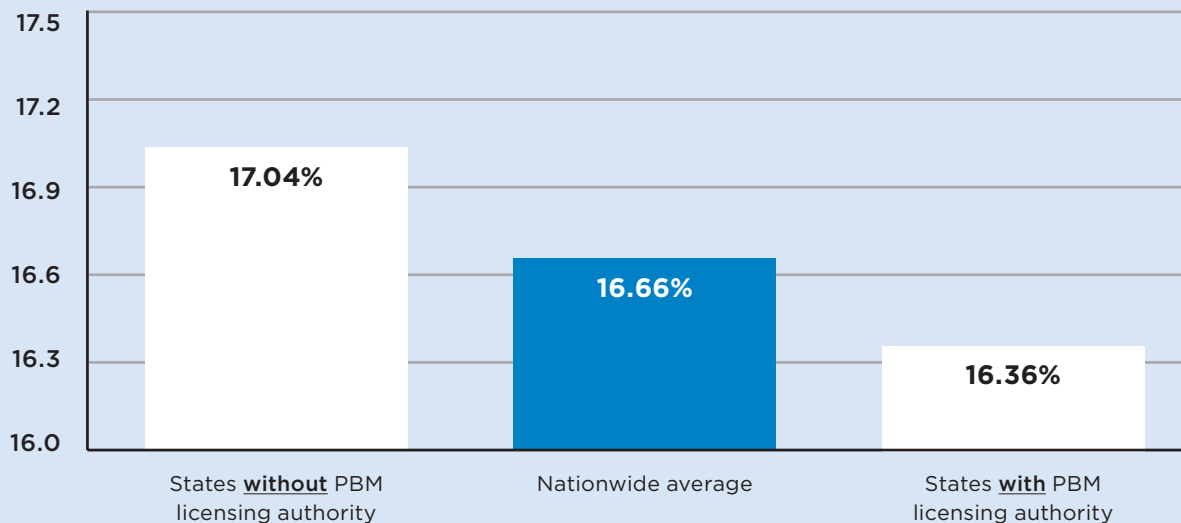
State legislative efforts protecting patients from pharmacy benefit managers' (PBMs') conflicts of interest **do not raise health insurance premiums**. PBMs claim that legislation protecting patients, payers, and pharmacies from their opaque business practices raise health insurance costs. But the facts tell another story!

If legislative limits on PBM conflicts of interest result in higher health care costs, as the middlemen claim, states with PBM regulatory oversight authority would see their health insurance premiums outpace those of states without PBM oversight. But this simply isn't the case.

Between 2015 and 2019, health insurance premiums increased at a nationwide average of 16.66%. The premium increase in states with licensing authority over PBMs during that period was **.3% below the national average**, while states without licensing authority saw their premiums increase **.4% above the national average!**

PBMs have enormous control over patients' prescription drug benefits. They design formularies and provider networks, giving them outsized influence over which medications are covered and which pharmacies a patient can utilize. Ultimately, legislative efforts limiting PBM conflicts of interest help patients by empowering them to make healthcare decisions for themselves, decreasing their out-of-pocket costs, and protecting access to community pharmacy services; all without raising health insurance premiums.

Increase in health insurance premium costs by percentage (2015-2019)¹



1. Numbers based on data from the Kaiser Family Foundation (www.kff.org).