

SUSAN W. KREBS  
Legislative District 5  
Carroll County

Health and Government  
Operations Committee

Government Operations and Estates  
and Trusts Subcommittee

Health Facilities and  
Pharmaceuticals Subcommittee



The Maryland House of Delegates  
6 Bladen Street, Room 203  
Annapolis, Maryland 21401  
410-841-3200 · 301-858-3200  
800-492-7122 Ext. 3200  
Fax 410-841-3349 · 301-858-3349  
Susan.Krebs@house.state.md.us

## *The Maryland House of Delegates* ANNAPOLIS, MARYLAND 21401

### Health and Government Operations Committee

#### HB 755 Pharmacy Benefit Managers-Prohibited Actions

March 10, 2022

#### WHAT DOES THIS BILL DO?

House Bill 755 will prohibit certain unfair, anti-competitive, and anti-consumer practices by Pharmacy Benefit Managers (PBMs). The bill would add to the statutory list of prohibited acts by PBMs.

#### WHAT IS THE NEED FOR THE BILL?

PBMs would be prohibited from:

- **Spread Pricing**

PBMs should not be able to engage in “spread pricing”, where the PBM reimburses a pharmacy for a lesser amount than it is paid for dispensing the drug by the insurer or prescription plan. It charges the plan one amount, and then pays the pharmacy a lesser amount. The PBM then pockets the difference as profit, even though it had no role in dispensing the prescription.

- **Prescription Plan Networks**

A PBM should be required to permit any pharmacy to participate in a prescription drug plan if the pharmacy is willing to accept the terms and conditions of the plan. Consumers want the choice of having prescriptions filled where they choose, and this bill will allow that. It would not allow PBMs to freeze out independents in favor of their own affiliated pharmacies.

1. **Copays.** Copays should be the same for all pharmacies. PBMs should not be permitted to favor affiliated pharmacies by setting a lower copay at their pharmacies, and a higher one for other pharmacies. This is simply anti-competitive steering by the PBMs.
2. **Mail Order Pharmacies.** And finally, mail order pharmacies should not be a plan requirement. This should be the choice of the consumer, and not a requirement imposed by PBMs. The consumer should be allowed to use mail order if he or she wishes, but it should not be required.

These measures will help prevent steering to PBM affiliates, promote fair competition, and allow consumer choice.

**I urge the Committee to favorably report HB 755.**