

Heather R. Cascone Assistant VP, State Affairs (202) 744-8416 hcascone@pcmanet.org

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Chairwoman Joseline A. Pena-Melnyk Vice Chair Bonnie Cullison House Health and Government Operations Committee House Office Building, Room 241 Annapolis, Maryland 21401

<u>UNFAVORABLE: HB 1270 – Prescription Drugs – Rebates and Calculation of Cost Sharing Requirements</u>

Dear Chairwoman Pena-Melnyk, Vice Chair Cullison, and Members of the House Health and Government Operations Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), I appreciate the opportunity to comment on a bill allowing dispensing of clinician-administered drugs from certain pharmacies or infusion sites. I respectfully request an unfavorable report on the bill.

PCMA is the national trade association representing America's Pharmacy Benefit Managers (PBMs), which administer outpatient prescription drug plans for more than 266 million Americans with health coverage provided through Fortune 500 large and small employers, labor unions, and government programs. PBMs are projected to save payers over \$34.7 billion through the next decade -- \$962 per patient per year – as a result of tools such as negotiating price discounts with drug manufacturers and establishing and managing pharmacy networks, in addition to disease management and adherence programs for patients.

Manufacturers offer rebate discounts on a very limited number of brand-patent-protected prescription drugs. 90% of the drugs dispensed in the United States are generic drugs, for which manufacturers offer no rebate, and of the remaining 10% of drugs that are brand-patent-protected, only 3% face competition from manufacturers selling a product in the same therapeutic class creating an impetus for a rebate discount to be offered. Manufacturers

I appreciate the opportunity to voice our concerns and am happy to answer any questions you may have.

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Heathen R. Cascone