

**Testimony**  
**Support for HB 1270**  
**Maryland House of Delegates**  
**Health & Government Operations Committee**  
**Angus Worthing, MD**  
**Thursday, February 29, 2024**

Chair Pena-Melnyk, Vice-Chair Cullison, and members of Health and Government Operations Committee, thank you for the opportunity today to speak in support of **House Bill 1270**.

My name is Angus Worthing and I have been practicing rheumatology for 20 years - treating Maryland patients in Chevy Chase and Washington, D.C.

I am a Clinical Assistant Professor of Medicine at Georgetown University Medical Center and serve as the current President of the Alliance for Transparent and Affordable Prescriptions (ATAP) Action Network, which advocates on patient access issues related to drug pricing across all 50 states and federal level.

ATAP is concerned about the role Pharmacy Benefit Managers (PBMs) play regarding the alarming price increases in the total cost and out-of-pocket costs of prescription drugs for patients, resulting in the loss of patient access to affordable and lifesaving medications.

As you may know, PBMs are third-party entities that are hired by insurers and health plan sponsors to manage and administer prescription drug benefit plans.

The three largest PBMs giants rank number 4, 5, and 12 on the Fortune 500 list.

PBMs are supposed to keep drug costs low, but the reality is drug prices are rising, and have been on the rise for decades.

Patients are paying more at the pharmacy counter, with fewer options, and access is more restricted.

PBMs use their intermediary position to negotiate rebates and retroactive discounts with pharmaceutical manufacturers in exchange for including the manufacturer's drug on the PBM's tiered formulary, or the list of approved drugs that the PBM will cover in full or part.

A drug's tier placement determines the level of coverage it will receive and therefore how much it will cost patients out-of-pocket and what restrictions are placed on it.

PBMs claim to pass a portion of the rebates and discounts they get from manufacturers back to the insurers to help drive down costs for patients, but due to the opaque nature of their contracts, most of these funds appear to go to their bottom line.

Unfortunately, there is very little transparency surrounding PBMs and their role within the delivery system, nor are there any legal requirements to pass negotiated savings onto payers or patients.

**HB 1270** seeks to remedy these practices by requiring at least **85 percent** of rebates received be passed onto patients.

This reform is an important effort to contain drug prices and discourage abuses by PBMs.

ATAP would also encourage the committee to consider amending the language to require **100 percent** of rebates to be passed through—which would ensure patients are even better able to afford their prescription medications at the pharmacy counter.

Thank you to the sponsors of this pro-patient legislation - enacting **HB 1270** would help ensure that patients do not pay inflated costs for their prescriptions.

**Please vote YES on HB 1270.**