



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES



MARYLAND ASSOCIATION
OF CHAIN DRUG STORES

NACDS and MACDS Testimony to the Maryland General Assembly Senate Finance Committee

Wednesday, February 28, 2024

Support SB 626 – Broadening Maryland’s Laws that Protect Against Abusive PBM Practices

Chair Beidle and members of the Senate Finance Committee, thank you for the opportunity to testify in support of SB 626. Senators Ready, Hershey, Lam, and Mautz, thank you for sponsoring this bill that broadens Maryland’s existing laws for pharmacy benefit managers (PBMs) – the companies that manage prescription benefits on behalf of health plans – and further helping to curb unfair and questionable business practices that enrich PBMs at the expense of patients and their pharmacies.

In recent years, Maryland lawmakers have enacted important PBM reforms that help to protect both patients and pharmacy providers from abusive PBM business practices. These reforms include patient protections that prevent PBMs from requiring beneficiaries to use a pharmacy owned by the PBM (rather than a pharmacy of a beneficiary’s choice) to fill certain prescriptions; prohibiting PBMs from reimbursing certain nonaffiliated pharmacy providers in an amount that is less than what the PBM reimburses an affiliated pharmacy for the same product; and standards for audits conducted by PBMs against pharmacy providers that help to prevent PBMs from engaging in audit practices that penalize pharmacy providers for clerical or administrative issues on claims for covered medications that otherwise are payable.

By broadening the applicability of these existing PBM reforms, this bill can help to protect patients and pharmacy providers from the abusive PBM business practices that can jeopardize the sustainability of providing pharmacy services and ultimately patient access to care. With 90 percent of Americans living within 5 miles of a pharmacy, and 86 percent of adults in Maryland saying pharmacists are easy to accessⁱ, SB 626 will help to ensure Maryland’s families have sustained access to pharmacy care at their neighborhood pharmacies.

The public relies on neighborhood pharmacies for access to important healthcare services like health screenings, disease management, vaccinations, testing services, and patient counseling, as well as essential medication access. PBMs shape patients’ access to this type of care at their local pharmacies. Putting an end to PBM abuse is good for patients and will protect neighborhood pharmacies. **For all of these reasons, NACDS and its members urge Maryland lawmakers to advance SB 626.**

ⁱ <https://www.nacds.org/pdfs/Opinion-Research/NACDS-OpinionResearch-Maryland.pdf>