



A Network Of  
Independently Owned  
Pharmacies

Testimony offered on behalf of:  
**EPIC PHARMACIES, INC.**

---

**IN SUPPORT OF:**

**RE: HB0607 State Health and Welfare Benefits Program - Requirements for Selection of Pharmacy Benefits Manager**

House Health and Government Operations Committee  
Hearing 2/10 at 1:30 PM

EPIC Pharmacies, Inc. **SUPPORTS (with Sponsor Amendments) HB 0607** - State Health and Welfare Benefits Program - Requirements for Selection of Pharmacy Benefits Manager.

EPIC Pharmacies are positioned in hundreds of communities across the state and represent the front line of healthcare providers caring for Maryland communities and your constituents. Independent pharmacies in Maryland continue to be attacked with predatory pricing and below cost reimbursements from our brick and mortar and mail order competitors through their wholly owned PBMs. I can't think of another business where your competitor can dictate the rules of the marketplace and the price you are paid as we are forced to endure in pharmacy. This bill, and the amendments offered by the sponsor to correct the omission of National Averaged Drug Acquisition Cost (NADAC), would mandate that if a PBM wants to bid on the State employee plan, they must agree to fairly pay pharmacies for the services that they provide the State of Maryland employees. This would give no PBM an advantage over another and would ensure that all savings were not simply obtained by forcing pharmacies to fill prescriptions below their cost to do so.

We feel that pharmacies are vital to the health of our Maryland communities and the increasing percentage of underwater claims puts the health of those communities at risk. Never has this been more apparent than during a global pandemic when patients have needed to lean on us for additional services and support like we have never seen. We are not asking to be guaranteed profits, only to be guaranteed to have our costs covered in a contracting process that is literally designed to incentivize a race to the bottom on pricing.

We cannot continue with the status quo in Maryland if you want pharmacies that aren't owned by PBMs to exist in your communities. Many have already closed or been forced to sell because of the current market conditions. We need the legislature to put a stop to predatory pricing and force a fair and transparent payment model that guarantees we are paid the product cost plus a reasonable dispensing fee. I hope that you can find a way help us and I respectfully ask the committee to support HB 0607.

Sincerely,

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

Brian M. Hose, PharmD  
EPIC PharmPAC Chairman  
brian.hose@gmail.com

# Mt. Vernon Pharmacy

900 Cathedral St. \* Baltimore, Maryland 21201 \* Phone: 410-539-8030 \* Fax: 410-539-8115  
Prescription and Over the Counter Medications \* Prescription Counseling \* Diabetes Supplies \* Vaccinations

HB 607 – State health and Welfare Benefits Program – Requirements for Selection of Pharmacy  
Benefits Manager  
Hearing 2/10/2021 at 1:30 PM

I would urge the committee to Support HB 607 – State health and Welfare Benefits Program –  
Requirements for Selection of Pharmacy Benefits Manager.

The State of Maryland Department of Health has done two studies on the actual cost to fill a prescription. Actual costs without smoke and mirrors, and an alphabet soup of terms developed by the pharmaceutical and PBM industry to confuse payers, pharmacists, legislators, and patients. In those studies, the State of MD and most other states in this country have determined that the actual cost of a prescription is best represented by a national survey called the National Drug Acquisition Cost survey. Additionally, Maryland and most other states have independently calculated that it costs a pharmacy between \$10.00 and \$12.00 over that national average to fill a prescription. That's it. No need for WAC, MAC, AWP, SMACS, SDAC, or any other confusing terms. It is simple, accurate, and transparent. NADAC prices are published weekly by Myer and Stauffer, a national accounting firm trusted and hired both by CMS, and the State of Maryland.

**Mandating that the single MCO that wins the reverse auction reimburse pharmacies the Fee for Service price of NADAC + \$10.67 will save revenue:**

- On p.8 and p.14 of the November 2019 State of MD, Dept. of Health, Myers and Stauffer, PBM and MCO study (see link below) as a result of HB 589 shows that PBM's pay their affiliated pharmacies at higher levels of reimbursement both in terms of ingredient reimbursement and dispensing fee. How much. On p. 14: **PBM Affiliated pharmacies were paid on average \$148.89 per claim and non-affiliated pharmacies were paid on average \$47.69 per claim.**

[https://mmcp.health.maryland.gov/SiteAssets/pages/Reports-and-Publications/hb589PBMAuditappealsJCRfinal12-19%20\(1\).pdf](https://mmcp.health.maryland.gov/SiteAssets/pages/Reports-and-Publications/hb589PBMAuditappealsJCRfinal12-19%20(1).pdf)

Having a fair and transparent payment will save the state money and prevent the self-dealing that has permeated the current MCO payment model.

I respectfully request a favorable opinion on HB 607, with the inclusion of NADAC & the States of Maryland's "Medicaid Fee for Service Dispensing Fee" as the floor for payment to all retail pharmacies.

Sincerely,



Steve Wiener, Pharmacist  
Mt. Vernon Pharmacy and Mt. Vernon Pharmacy at Fallsway  
EPIC PharmPAC Treasurer