



May 13th, 2025

The Honorable Donna Bailey
The Honorable Kristi Mathieson
Members, Committee on Health Coverage, Insurance and Financial Services
Cross Building, Room 220
100 State House Station
Augusta, ME 04333

RE: LD 1906 An Act to Improve Accountability and Understanding of Data in Insurance Transactions; Opposed

Chair Bailey, Chair Mathieson and Members of the Committee,

On behalf of the Pharmaceutical Care Management Association (PCMA), we wish to share our opposition to LD 1906. PCMA is the national association representing pharmacy benefit managers (PBMs), which administer prescription drug plans for millions of Americans with health coverage provided through large and small employers, health plans, labor unions, state, and federal employee benefit plans, and government programs.

PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, most choose to because PBMs help lower prescription drug coverage costs.

PCMA is concerned with using the word “ownership” in the bill. PCMA’s member company clients can already access their claims data through online portals. PBM clients also have audit rights outlined in their contracts with a PBM. Legally, PCMA disagrees with the proposed language regarding ownership of claims data by the plan sponsor. Mandating contracts to state that a plan sponsor “owns” the claims data brings significant legal and operational concerns. Claims data does not originate from a single source. Instead, it’s a compilation drawn from multiple sources. Financial and contractual information, including proprietary reimbursement rates and trade secrets, is a concern. Therefore, we believe the concept of a single-party “ownership” is not applicable. Asserting ownership by the plan sponsor implies the sponsor would have full title, possession, and control over the entire dataset. We are concerned this could legally entitle the plan sponsor to request deletion of all claims data from a plan’s systems or to sell or transfer data containing trade secrets and proprietary information to a competitor.

Instead of mandating language that assigns ownership, PCMA requests language to affirm instead the plan sponsor’s right to access the claims data necessary to fulfill its duties. We believe a contractual clause that states the plan sponsor is entitled to such data under the service agreement

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would directly address the concern in a clear, enforceable, and balanced manner, without invoking problematic concepts of ownership.

PCMA is also concerned about some of the bill's audit provisions. Plan sponsors and their PBMs are also rigorously audited, analyzed, and reviewed. For example, the Medicare Advantage and Part D program audits alone require an estimated 500+ hours of plan and PBM staff time to complete.¹ The reality is that compliance with detailed audits is just part of being in the health care business.

The bill outlines various audit provisions:

- Page 2, Line 9 – “The time period covered by the audit”
 - PCMA requests that “not exceed 2 years, unless otherwise agreed to by contract” be inserted in the bill. PMB clients get regular reporting and have the ability to pull ad hoc reports that give detailed information. The formal audit process is costly and time consuming and should be limited to upon request.
- Page 2 Line 10 – “The number of claims analyzed”
 - Some of our clients have millions of claims each year. We abide by industry standards when analyzing claims. This is counterintuitive to the said intent of the bill which is shortening the period of time an audit takes. The only person to benefit from this is the consultants who are doing the audit because it will extend audit / hourly rate.
 - PCMA requests that this be struck from the bill.

PCMA also requests that the bill clarify that PBMs do not provide health coverage or prescription drug coverage. That is the responsibility of the plan sponsor who seeks PBM services.² PBMs provide pharmacy benefit management services such as claims processing, assisting in the creation of networks and formularies, plan design, etc. PCMA requests that the language in this bill be amended for accuracy, since it seems to imply that PBMs are providing coverage instead of administering a benefit.

We must respectfully oppose LD 1906 in the interest of Maine patients and payers because of the problematic provisions noted above.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "Sam Hallemeier".

Pharmaceutical Care Management Association

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¹ CMS, Supporting Statement Part A Medicare Parts C and D Program Audit Protocols and Data Requests (CMS-10191, OMB 0938-1000)

² See CMS, Supporting Statement Part A Medicare Parts C and D Program Audit Protocols and Data Requests (CMS-10191, OMB 0938-1000); CMS 2020 Timeliness Monitoring Project (TMP) October 8, 2019 memorandum; CMS, Continuation of the Prescription Drug Event (PDE) Reports and PDE Analysis Reporting Initiatives for the 2022 Benefit Year, April 29, 2022 memorandum; and CMS, One-Third Financial Audits Overview