



May 15th, 2023

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

RE LD 1816 & LD 1829, An Act Requiring Reference-based Pricing to Reduce Prescription Drug Costs, Opposed

Chair Bailey, Chair Perry, Members of the Committee,
I am Sam Hallemeier, Director of State Affairs, writing on behalf of the Pharmaceutical Care Management Association (PCMA) to oppose LD 1816 and LD 1829. PCMA is the national association representing America's pharmacy benefit managers (PBMs). PBMs administer prescription drug plans and operate mail-order and specialty pharmacies for more than 275 million Americans with health coverage through large employers, health insurers, labor unions, and federal and state-sponsored health 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 the costs of prescription drug coverage.

PCMA appreciates the legislation's intent to decrease healthcare costs for patients, however, we believe LD 1816 and LD 1829 may penalize those entities that work daily to improve patient care and lower drug costs rather than curb anticompetitive pricing practices of manufacturers. This bill would require purchasers not to purchase or seek reimbursement for more than the maximum fair price, whether directly or through a distributor. If payment for individual transactions of a reference drug exceeds the referenced rate, payers are subject to a fine of \$1,000 for each individual transaction. PBMs do not set the list price of a drug, that lies solely on the manufacturers. While the bill has provisions to bring enforcement against manufacturers that pull from the market, there is no penalty for just keeping the price high. PCMA requests that you strike section 2 of the bill since it fines the entities who have no control over the cost of a drug.

Pharmaceutical Care Management Association
325 7th Street, NW, 9th Floor
Washington, DC 20004
www.pcmanet.org



Thank you for allowing me to provide comments in opposition on LD 1816 and LD 1829, and I would be happy to answer any questions you might have

Sam Hallemeier

A handwritten signature in black ink, appearing to read "S. Hallemeier". The signature is fluid and cursive, with a prominent initial "S" and a long, sweeping underline.

Director, State Affairs
shallemeier@pcmanet.org
(202) 579-7647