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Testimony of Representative Kristi Mathieson presenting

LD 180, An Act Regarding the Interactions of Pharmacy Benefits Managers and So-called 340B Entities and Reimbursements by Pharmacy Benefits Managers to Pharmacies

Before the Joint Standing Committee on Health Coverage, Insurance and Financial Services

Senator Bailey and esteemed colleagues on the Health Coverage Insurance and Financial Services Committee. I am Kristi Mathieson representing House District 151, Kittery. Thank you for your time today. It is my honor to present to you **LD 180, An Act Regarding the Interactions of Pharmacy Benefits Managers and So-called 340B Entities and Reimbursements by Pharmacy Benefits Managers to Pharmacies**.

Since 2006, pharmacies have been working with our committee to help shape better pharmacy policy and strengthen our economy by keeping jobs in our state, while ensuring that Maine always has a place for patients to fill their prescriptions. This bill came to me from independent, rural pharmacists struggling to receive equal reimbursement for medications.

The bill, as amended, is designed to ensure that pharmacy benefit managers (PBMs) pay rural, independent Maine pharmacies the same way that they reimburse their own pharmacies. The amendment strikes out sections 1, 2 and 3 of the original bill and keeps section 4349-A, subsection 2 (now section 1) the discriminatory practices section.

This amendment prohibits a health insurance carrier, or a pharmacy benefits manager under contract with a carrier, from reimbursing a pharmacy provider for a prescription drug or pharmacy service in an amount that is less than the national average drug acquisition cost at the time the drug is administered or dispensed. This amendment also specifies that the reimbursement amount may not be less than the amount the pharmacy benefits manager reimburses itself or an affiliate for the same prescription drug or pharmacy service.

District 151: Kittery

Rural pharmacists are telling me that they are not being reimbursed the same as PBMs are reimbursing their pharmacies, we want to be sure there is fairness and no discriminatory practices in Maine.

I look forward to working with you on this important legislation, but will note there are others in the room that are far stronger experts in the field of pharmacy reimbursements and I ask that you consider holding the technical questions for those behind me.

Thank you for your time today.

LD 180
SPONSOR'S AMENDMENT
Proposed by Rep. Mathieson
FOR HCIFS REVIEW 4/16/25 PUBLIC HEARING

PROPOSED COMMITTEE AMENDMENT:

LD 180, An Act Regarding the Interactions of Pharmacy Benefits Managers and So-called 340B Entities and Reimbursements by Pharmacy Benefits Managers to Pharmacies

Amend the bill by striking out the title and inserting in its place the following:

An Act Regarding Reimbursements by Pharmacy Benefits Managers to Pharmacies

Amend the bill by striking out sections 1, 2 and 3 of the bill and inserting in its place the following:

Sec. 1. ~~24-A MRSA §4347, sub-§20 is enacted to read:~~

~~**20. 340B drug pricing.** "340B drug pricing" means the program established under Section 602 of the federal Veterans Health Care Act of 1992.~~

Sec. 2. ~~24-A MRSA §4347, sub-§21 is enacted to read:~~

~~**21. Wholesale acquisition cost.** "Wholesale acquisition cost" has the same meaning as in Title 22, section 8731, subsection 6.~~

Sec. 1 3. 24-A MRSA §4349-A is enacted to read:

§4349-A. Discriminatory practices prohibited regarding reimbursement of pharmacy providers

~~**1. Discriminatory practices of carrier or pharmacy benefits manager regarding 340B drug pricing.** A carrier, or a pharmacy benefits manager under contract with a carrier, may not discriminate against an entity authorized to participate in 340B drug pricing or a pharmacy provider under contract with an entity authorized to participate in 340B drug pricing by:~~

~~A. Preventing or interfering with a covered person's choice to use without penalty any pharmacy provider that the covered person chooses, whether or not the pharmacy provider participates in 340B drug pricing;~~

~~B. Placing additional requirements, restrictions or unnecessary burdens upon an entity authorized to participate in 340B drug pricing or a pharmacy under contract with an entity authorized to participate in 340B drug pricing that results in administrative costs or fees to the entity or pharmacy that are not placed on other entities or pharmacies that do not participate in 340B drug pricing, including pharmacies affiliated with the pharmacy benefits manager; or~~

~~C. Requiring a billing claim to indicate that the claim is a 340B drug pricing claim unless the claim is being billed under the Medicaid program on a fee for service basis.~~

1 2. Discriminatory practices of carrier or pharmacy benefits manager regarding reimbursement. A carrier, or a pharmacy benefits manager under contract with a carrier, may not reimburse a pharmacy provider for a prescription drug or pharmacy service in an amount that is less than the national average drug acquisition cost for the prescription drug or pharmacy service at the time the drug is administered or dispensed, plus the amount of a dispensing fee that is not less than the dispensing

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fee paid under the Medicaid program on a fee-for-service basis. If the national average drug acquisition cost for the prescription drug or pharmacy service is not available at the time the drug is administered or dispensed, a carrier, or a pharmacy benefits manager under contract with a carrier, may not reimburse a pharmacy provider for that prescription drug or pharmacy service in an amount that is less than the wholesale acquisition cost of the drug, plus the amount of a dispensing fee that is not less than the dispensing fee paid under the Medicaid program on a fee-for-service basis. Notwithstanding this subsection, a carrier, or a pharmacy benefits manager under contract with a carrier, may not reimburse a pharmacy provider for a prescription drug or pharmacy service in an amount that is less than the amount the pharmacy benefits manager reimburses itself or an affiliate for the same prescription drug or pharmacy service.

2 3. Violation. The superintendent may order a carrier, or a pharmacy benefits manager under contract with a carrier, to reimburse a covered person or pharmacy provider that has incurred a monetary loss as a result of a violation of this section.

SUMMARY

This amendment is intended to replace the bill. The amendment retains the section of the bill that prohibits a health insurance carrier, or a pharmacy benefits manager under contract with a carrier, from reimbursing a pharmacy provider for a prescription drug or pharmacy service in an amount that is less than the national average drug acquisition cost at the time the drug is administered or dispensed. The amendment also specifies that the reimbursement amount may not be less than the amount the pharmacy benefits manager reimburses itself or an affiliate for the same prescription drug or pharmacy service.

The amendment removes the section of the bill that prohibits a health insurance carrier, or pharmacy benefits manager under contract with a carrier, from engaging in certain discriminatory practices against an entity authorized to participate in the federal 340B drug pricing program or a pharmacy provider under contract with an entity authorized to participate in the federal 340B drug pricing program.