



MAINE PHARMACY

ASSOCIATION

PO Box 5257 | Augusta, ME | 04332

April 16, 2025

The Honorable Senator Donna Bailey, Chair
The Honorable Representative Kristi Mathieson, Chair
The Joint Standing Committee on Health Coverage, Insurance and Financial Services

Dear Senators and Representatives,

My name is Amelia Arnold, I am a resident of Winthrop, Maine, a licensed pharmacist employed by Community Pharmacies, and the Legislative Liaison for the Maine Pharmacy Association. The MPA is the state pharmacy organization that addresses the advocacy, continuing education, and professional needs of all licensed pharmacists, pharmacy technicians and student pharmacists in Maine. Our mission is to promote public health by advocating for the profession of pharmacy. On behalf of the Maine Pharmacy Association, I am testifying in support of LD 180 An Act Regarding the Interactions of Pharmacy Benefits Managers and So-called 340B Entities and Reimbursements by Pharmacy Benefits Managers to Pharmacies.

Let me start by acknowledging that today you will hear that this bill will cost Mainers hundreds of millions of dollars, and I encourage you to see through those statements to the truth of the world pharmacies live in: Dozens of times every day a PBM pays us less than what we can purchase drugs for and that is a fully unsustainable business model. While this bill in front of you would be a lifeline for independent pharmacies, they are not alone in their struggles. Pharmacies of all kinds are suffering and it takes no more than a Google search to see that pharmacies are closing across the country, and in Maine, at an alarming rate. We are all praying that meaningful PBM reform will arrive before it is too late for our businesses.

For years pharmacies have seen our reimbursements cut, and when we raised concerns we have been told that we must learn to do more with less. While we have seen drug prices and insurance costs for drugs rise at a staggering rate, pharmacies have only seen their margins shrink. This bill before you ensures that pharmacy reimbursement is tied to a fair price. NADAC is a price index published by the Centers for Medicare and Medicaid Services (CMS) that reflects the average price retail community pharmacies pay for covered outpatient drugs. As with any average, approximately half the pharmacies pay more than that cost and half pay less. Our Medicaid program adopted a NADAC plus reimbursement in 2017.

A study in Maine several years ago found that the average cost to a pharmacy to dispense a prescription in Maine was \$11.89. While you may ask if that is a steep price, the \$11.89 included our supplies (vials, caps, labels, paper, pens, etc), time (pharmacists, technicians, clerks, support staff), building rent and utilities, amongst other expenses. Pharmacies in Maine submitted updated data in January of 2025 and

anxiously await the results of the new survey to see what the average cost of dispensing and therefore our new Medicaid dispensing fee will be.

Additionally, this bill also ensures that all network pharmacies are paid the same rate which will remove incentives to steer patients from PBM-affiliated pharmacies, which in fact should lower costs by preventing PBMs from paying their affiliated pharmacies more than any other pharmacy in their network. Just this week there was a study that came out of Tennessee and found one of the largest PBMs violated State law by paying affiliated pharmacies higher rates for 568 of the 2,319 medications sampled, and in some cases up to 3,082% difference.¹

I encourage you to realize that until pharmacies are paid a fair price for their supplies and services, pharmacies across the country, and in Maine, will continue to close. Requesting that pharmacies affiliated with a PBM are not paid any more than other pharmacies and that those reimbursements be tied to the average cost of the drug product and the average cost of dispensing a medication is not an extravagant ask, but rather one that recognizes the importance that pharmacies play in healthcare in Maine. I urge you to question why there would be opposition to recognizing fair reimbursement regardless of PBM affiliation, and tied to average and fair reimbursement logic that has been utilized for Medicaid successfully for years.

For years we have seen our reimbursements cut, and when we raised concerns, we have been told that we must learn to do more with less. If this bill were to result in an increase in payments to pharmacies, it is still a choice that pharmacy benefits managers and plan sponsors would be making to pass that along to patients. The Maine Pharmacy Association appreciates you tackling this very important issue and is happy to help in any way that we can.

Thank you for your time and consideration.

Most Sincerely,



Amelia Arnold, PharmD
Legislative Liaison | Maine Pharmacy Association

1. STATE OF TENNESSEE, REPORT ON AUDIT OF EXPRESS SCRIPTS ADMINISTRATORS, LLC
[HTTPS://WWW.TN.GOV/CONTENT/DAM/TN/COMMERCE/DOCUMENTS/INSURANCE/COMPANYEXAM/EXPRESSSCRIPTSADMINLLC%20-EXAM04102025.PDF](https://www.tn.gov/content/dam/tn/commerce/documents/insurance/companyexam/expressscriptsadminllc%20-exam04102025.pdf)