



April 24, 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 1407 An Act to Amend the Maine Insurance Code Regarding Payments by Health Insurance Carriers to Providers; Opposed

Chair Bailey, Chair Perry and Members of the Committee,

My name is Sam Hallemeier, Director of State Affairs, and I am writing on behalf of the Pharmaceutical Care Management Association (PCMA). 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.

PCMA opposes LD 1407, which deals with contracts between health insurance carriers to providers. PCMA is concerned that this proposal could have unintended consequences for PBM contracts with pharmacies if it were to be enacted. Pharmacists have provider status in Maine due to a public law amending the Maine Pharmacy Act to officially define the practice of pharmacy as the provision of health care services and recognize pharmacists as providers of health care services.

Contracts between a PBM and network pharmacies specifically state that the pharmacy agrees to abide by the PBMs provider manual updates. Provider manuals are documents created and distributed by a PBM. The provider manual outlines the regulations and requirements pharmacies must adhere to. If Maine were to add a new law or the Bureau of Insurance issued a new regulation, a PBM would have to comply with this and update the provider manual, and LD 1407 would allow for a pharmacy to object to the manual changes and the pharmacy could be out of compliance with state law for up to 18 months. One of our main concerns is whether the change is a safety issue or an issue related to fraud, waste, or abuse. The PBM would not be able to make a pharmacy comply for 18 months if they object.

Allowing changes through provider manuals is a well-established and transparent process. It provides for advance notification of any changes, a portal to pull information from, and a point of contact if any questions arise from pharmacies. Provider manuals are the key to communicating beneficial changes in a rapidly evolving healthcare field. If equal or better services can be delivered to members at a decreased cost to them and the system as a whole,

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then we must pursue those options while improving the quality of and access to care.

LD 1407 would impede a PBMs ability to innovate and adapt as better care develops and would impact our ability to implement policies. If enacted, this legislation would give Maine pharmacies the power to impact the adoption of national coverage and reimbursement policies, would increase the total cost of care, and would require constant negotiation of provider contracts at an enormous operational expense.

For those reasons listed above, I urge you to vote ought not to pass on LD 1407.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Hallemeier", written in a cursive style.

Sam Hallemeier
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