



May 10, 2021

The Honorable Senator Ned Claxton, Chair
The Honorable Representative Michele Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

RE: LD 1608 An Act To Expand the MaineCare Program To Cover All Citizens of the State; Oppose

Dear Chair Claxton, Chair Meyer, and Members of the Committee on Health and Human Services,

My name is Sam Hallemeier, Director of State Affairs writing on behalf of the Pharmaceutical Care Management Association (PCMA) to oppose LD 1608. 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 266 million Americans with health coverage through large employers, health insurers, labor unions, and federal and state-sponsored health programs.

PCMA opposes LD 1608, which would create a single-payer health care insurance program with only one State-run health insurance plan and one State-run PBM. PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients not just in Maine, but the entire United States. 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.

LD 1608 will create costs, not savings for Maine. The State of Maine will need to hire experts and create a sophisticated infrastructure to match private insurance industry's capabilities and solutions. This will come at great cost to taxpayers without any proof of savings. Without competition, there will also be no incentive for the State to continue to innovate.

PBMs work to deliver the lowest net cost of drugs for their clients and improve patient outcomes by offering a variety of services and tools to their clients including formulary management. Formularies are developed by a payer's Pharmacy and Therapeutics (P&T) Committee, made up of primary care and specialty physicians, pharmacists, and other health care professionals. P&T Committee members must disclose and appropriately handle any conflicts of interest, and their identity is usually kept confidential to avoid undue outside influence. P&T Committees

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



evaluate available clinical evidence to select the best drugs for various conditions. This review focuses only on clinical considerations, including medical literature, FDA-approved prescribing information and safety data, and current therapeutic use guidelines—not economic or cost considerations.

Vermont attempted to establish a single-payer healthcare system and was passed in May of 2011. With a combination of lower than expected state revenues and taxes that would need to be paid to implement the single-payer healthcare system, the Governor declared the initiative to be too costly to properly implement and it was eventually called off. This type of legislation would also cost the State of Rhode Island a significant amount of money to create, and run each year.

In the interest of Maine patients and payers, it is for these problematic provisions noted above that we must respectfully oppose LD 1608. Given the unique environment of high drug prices that Mainers and plan sponsors find themselves in, now is not the time to increase the cost of providing reliable and affordable access to prescription drugs.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "S. Hallemeier", is positioned below the name.

Director, State Affairs

shallemeier@pcmanet.org

(202) 756-5727