



February 6, 2018

The Honorable Lisa Keim & The Honorable Matthew W. Moonen
Chairs, Joint Standing Committee on Judiciary
Maine State Legislature
13 State House Station
Augusta ME 04333

Via email: margaret.reinsch@legislature.maine.gov

Re: Proposed Committee Amendment to LD 1406 (Prescription Drug Price Transparency)

Dear Senator Keim and Representative Moonen:

The Pharmaceutical Care Management Association (PCMA) submits the following comment as the Committee considers the proposed amendment to LD 1406 (Prescription Drug Price Transparency). PCMA is the national trade association representing pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 266 million Americans with health coverage provided through large and small employers, state governments, health insurance plans, labor unions, Medicaid managed care, Medicare Part D, Federal Employees Health Benefit Programs, and other public programs.

Thank you for the opportunity to provide feedback on the issue of drug price transparency. PCMA appreciates the Committee's intent to understand the causes of rising pharmaceutical list prices and its acknowledgement that public disclosure of certain disaggregated price information ultimately may be counterproductive to the goal of reducing consumer prices.

As the Federal Trade Commission and U.S. Department of Justice have warned:

"[i]f pharmaceutical manufacturers learn the exact amount of rebates offered by their competitors...then tacit collusion among manufacturers is more feasible...Whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely."¹

PCMA shares the concern that if sensitive price information collected by the state—such as the information described in section (4)(F) of LD 1406—is inadvertently disclosed publicly, competitive forces in the pharmaceutical market could be negatively impacted and health care payers and consumers could see increased costs. We believe that this result would be counterproductive to the Committee's goal.

¹ FTC and U.S. Department of Justice, *Improving Health Care: A Dose of Competition* (July 2004).



We appreciate the opportunity to provide comments on this proposed amendment and we welcome the opportunity to speak with you about our concerns. Please do not hesitate to contact me at 202-756-5743 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "April C. Alexander". The signature is written in a cursive style with a long, sweeping tail on the final letter.

April C. Alexander
Assistant Vice President, State Affairs

cc: Margaret Reinsch, Esq., Legislative Analyst