



April 20, 2020

The Honorable Larry Hogan  
Governor of the State of Maryland  
The State House  
100 State Circle  
Annapolis, MD 21401

## **HB 978 – Pharmacy Services Administrative Organizations – Regulation**

Dear Governor Hogan,

On behalf of the Pharmaceutical Care Management Association (PCMA), we respectfully request your support for HB 978, a bill to create regulatory oversight of pharmacy services administrative organization (PSAO). 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 Fortune 500 companies, health insurers, labor unions, Medicare, Medicaid, and other programs.

Approximately 80% of independent pharmacies use PSAOs to represent them in their business relationships with third party payers like health plans and PBMs. A typical PSAO can represent thousands of independent pharmacies in their negotiations with third party payers such as reimbursement rates, payments and even audit terms. With the growing desire to better understand and utilize the value of every prescription dollar, it's important that we pursue transparency amongst all parts of the drug supply chain, but when it comes to PSAOs, there is none.

HB 978 will allow the state to better examine what value and what costs PSAOs are bringing to independent pharmacies and the drug supply chain.

We were proud to work closely with Del. Ariana Kelly, as well as many others in the Health & Government Operations Committee to develop transparency language that would set best practices into Maryland law.

As a result, we respectfully request you sign HB 978 into law, and appreciate your consideration. If you have any questions, please feel free to reach me at 202-756-5729.

Respectfully,

A handwritten signature in black ink that reads "Heather R. Cascone".

Heather R. Cascone  
Senior Director, State Affairs

cc: Michael Johansen, Esq.