

MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY
HOUSE OF DELEGATES

Resolution 27-18

INTRODUCED BY: Montgomery County Medical Society

SUBJECT: Transparency of Pharmacy Benefit Managers

1 Whereas, pharmacy benefit managers (PBMs) were originally set up to process prescription
2 claims, PBMs have become intermediaries contracted by health plans to manage prescription
3 drug plans on behalf of beneficiaries; and

4 Whereas, PBMs have become effective at negotiating discounts and rebates from
5 manufacturers that they retain as profits rather than passing those savings onto patients. As a
6 result, patients' cost shares do not reflect the actual lower cost of the drug, which in turn
7 increases out-of-pocket costs and co-pays; and

8 Whereas, PBMs do not share the amount charged to the health plans for a drug and what it
9 reimburses the pharmacy for such drug; therefore, the lack of transparency allows PBMs to retain
10 a profit; and

11 Whereas, more regulation and oversight of PBMs is needed to ensure that savings are passed along
12 to patients; therefore be it

13 Resolved, that MedChi initiate legislation requiring transparency in the structure in which PBMs
14 operate in order to prevent conflict of interest when developing formularies and/or tiers; and be it
15 further

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17 Resolved, that MedChi initiate legislation directing a study to investigate the extent to which PBM
18 negotiations and arranged rebates affect formularies, tiers, and drug prices.

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As amended and adopted by the House of Delegates at its meeting on September 22, 2018.