MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY
HOUSE OF DELEGATES

Resolution 27-18

INTRODUCED BY:  Montgomery County Medical Society
SUBJECT:       Transparency of Pharmacy Benefit Managers

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

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

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

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

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

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

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