

March 4, 2019

The Honorable Delores Kelley
Miller Senate Office Building, 3 East Wing
11 Bladen St.
Annapolis, MD 21401

Re: Support with amendments SB 819

Health Insurance - Pharmaceutical Manufacturers - Transparency and Reporting

Dear Senator Kelley:

On behalf of MedChi, the Maryland State Medical Society I am writing to support with amendments **Health Insurance - Pharmaceutical Manufacturers - Transparency and Reporting**.

MedChi, the largest physician organization in Maryland, strongly supports price transparency. Our members are very concerned that drug price increases are harming their patients. According to the Journal of American Medicine, from 2013 to 2015 net spending on prescriptions in the United States increased twenty percent. MedChi strongly believes pharmaceutical companies, pharmacy benefit managers and insurers need to show greater transparency in drug pricing. MedChi has been working with the AMA to promote drug transparency and more information on that work can be found at <https://truthinrx.org/>.

We applaud the work of the advocates on this issue, and plan to continue to work with the Maryland General Assembly on measures to improve the system, and lower drug costs without doing harm to the Maryland healthcare system. To that end, we have the following specific comments with regard to this specific legislation.

The bill has provisions regarding prior authorization worthy of working on; we would suggest it may be worth exempting group model HMOs, the protections are important and needed. While Maryland has implemented an electronic prior authorization system, providers and patients often still encounter significant barriers in receiving approval for care, which can delay patient treatment. In addition, providers and their staff have reported increased time spent on navigating systems, diverting valuable resources away from direct patient care.

Another measure to improve transparency and reduce drug cost would be a measure regarding drug coupon cards. Physicians have reported that drug cards are being presented electronically, and in person and not credited. This has the effect of raising the price of drugs to the consumer. At times, this is reasonable as the pharmacy has a better program; therefore we have simply suggested adding language that requires a discussion around the non-use of coupons.

MedChi strongly agrees with the intent of the legislation to collect and report on pharmaceutical prices. However, we think that the collection could be done in a more efficient manner to address concerns raised by insurers and others with regard to the burden of collection. MedChi simply suggests that the legislation be amended to allow the State to enter into memorandum of understandings with other states that have already collected the information.

We would also suggest that we amend the bill to allow CRISP to collect all drug data. Currently CRISP is collecting some class drug data, but not all. Then we could have CRISP and the appropriate State agency to study and report back how best to integrate the data

While we think it makes sense for the State to collect the information, we are concerned that the cost and burden to collect the information could.

Thank you for the opportunity to comment as we all work together to improve the public health of Maryland.

Sincerely,

Gene M. Ransom, III
Chief Executive Officer

Pharmacy Card Language

(1) A PHARMACIST WHO IS PRESENTED WITH A PRESCRIPTION DRUG DISCOUNT CARD ELECTRONICALLY OR OTHERWISE FROM A BENEFICIARY OR THE BENEFICIARY'S HEALTH CARE PROVIDER SHALL USE BEST EFFORTS TO APPLY THE PRESCRIPTION DRUG DISCOUNT CARD TO THE PRESCRIPTION DRUG REQUESTED.

(2) IF THE PHARMACIST IS UNABLE TO APPLY THE PRESCRIPTION DRUG DISCOUNT CARD TO THE PRESCRIPTION REQUESTED, THE PHARMACIST SHALL INFORM THE BENEFICIARY AS TO THE REASON.

MEDCHI / CRISP AMENDMENT

Proposed Language

(1) Beginning October 1, 2019, all prescription information shall be reported to the State Designated Health Information Exchange and shall include, but not be limited to, provisions that:

- a. Require dispenser definitions and reporting exemptions, frequency, and manner to be consistent with the prescription drug monitoring system established in Title 21, Subtitle 2A of the Health – General Article.
 - i. Dispensers do not include an “Authorized Prescriber” as defined in Maryland Code, Health Occupations §12-101.b
- b. Require all prescriptions dispensed in this state or to an address in this state to be reported by the dispenser, including those for patients paying cash for such prescription drug or otherwise not relying on a third-party payor for payment for the prescription drug;
- c. Allow submitters of prescription information access to the system at no cost to such submitter, in accordance with health information exchange Code of Maryland Regulations (COMAR) 10.25.18.09, *Registration and Enforcement*, ; and
- d. Allow de-identified prescription information reported to the State Designated Health Information Exchange to be used for reports to understand prescribing patterns.

Amendment to allow Memorandum of Understandings

1. TO THE EXTENT PRACTICABLE, THE STATE SHALL ACCESS PRICING INFORMATION FOR PRESCRIPTION DRUG PRODUCTS BY:
 - (A.) ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH ANOTHER STATE TO WHICH MANUFACTURERS ALREADY REPORT PRICING INFORMATION; AND
 - (B.) ACCESSING OTHER AVAILABLE PRICING INFORMATION.