

October 14, 2020

Lisa Larson
Regulations Manager
The Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

RE: NATIONAL COMMUNITY PHARMACISTS ASSOCIATION COMMENTS ON PROPOSED PSAO REGULATIONS

Dear Ms. Larson:

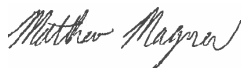
Thank you for the opportunity to provide comments on behalf of the National Community Pharmacists Association (NCPA) regarding proposed pharmacy services administrative organization (PSAO) regulations. NCPA represents the interest of America's community pharmacists, including the owners of more than 21,000 independent community pharmacies across the United States and 391 independent community pharmacies in Maryland.

Since 91% of all prescriptions are covered by insurance, contracting with pharmacy benefit managers is a necessity for all independent pharmacies. Unfortunately, only three PBMs control 76% of the market, and this consolidation of power creates both economic and administrative hurdles for independent pharmacies looking to contract with PBMs. Many, but not all, independent pharmacies engage with a PSAO to minimize those hurdles that can take away from the time the pharmacist spends on patient care.

We are concerned that the proposed regulations conflate the role of PSAOs and PBMs and thus will negatively impact PSAOs' ability to create administrative efficiencies for independent pharmacies. PBMs alone, not PSAOs, establish such contract terms as reimbursement rates, maximum allowable cost lists, and pharmacy audit procedures. Because of this, the PSAO is not the proper entity to submit information regarding these terms to the Administration. We urge the Administration to amend these regulations, so they accurately reflect the roles and contractual relationships between pharmacies, PSAOs, and PBMs.

If you have any questions about the information in this letter, please contact me at matthew.magner@ncpa.org. Thank you for your consideration.

Sincerely,



Matthew Magner
Director, State Government Affairs