



ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

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Media Contacts:
press@oag.state.md.us
410-576-7009

Attorney General Brown Urges Congressional Action on Pharmacy Benefit Manager Reform

BALTIMORE, MD (February 22, 2024) – Maryland Attorney General Anthony G. Brown has joined a bipartisan coalition of 39 Attorneys General in [urging](#) the U.S. Senate and House of Representatives to engage in meaningful debate with a view towards reforming the way that pharmacy benefit managers (PBMs) conduct business and bringing more transparency to their work.

A PBM is a third-party company that acts as an intermediary between insurance providers or health plans and pharmaceutical manufacturers, supposedly to reduce the cost of prescription medication for its plan members. It typically negotiates discounts and rebates with drug manufacturers, contracts with pharmacies, and develops and maintains drug formularies, or lists of covered drugs.

“Patients deserve lower prices, and the PBM industry needs to be held accountable for its actions,” **said Attorney General Brown**. “This coalition is committed to ensuring meaningful changes are made within the PBM industry to protect the needs and interests of patients over profits.”

The coalition’s letter highlights the urgent need for Congress to address potential abuses within the PBM industry. Specifically, the coalition highlights three bills – the DRUG Act (S1542/HR6283), Protecting Patients Against PBM Abuses Act (HR2880), and the Lower Costs, More Transparency Act (HR5378) – as critical pieces of legislation that offer necessary reforms.

Together, the legislation is intended to limit PBMs from unjustifiably increasing drug prices and to mandate steps that increase transparency of their practices – specifically, requiring PBMs to provide pricing data to health plans and to federal and state regulators in a standardized format. Such measures will empower health plans to negotiate better agreements with PBMs and enable regulators to more effectively hold PBMs accountable for their actions.

Because a PBM usually decides which drugs it covers, it can bargain for rebates from drug manufacturers who want to get their products on its formularies. Many states have taken action to address some PBM abuses, but the letter highlights the need to address problems nationwide.

In submitting the letter, Attorney General Brown joins the Attorneys General of Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Illinois, Kansas, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode

Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virgin Islands, Virginia, Wisconsin, and Wyoming.

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