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December 5, 2018

Sen. Jason Rapert,
President
Rep. Kevin Cahill
Chair , Health, Long Term Care & Health Retirement Committee
National Council of Insurance Legislators
2317 Route 34, Suite 2B,
Manasquan, New Jersey 08736

RE: Amendments to the Draft NCOIL Proposed PBM Regulation Model Bill for
Consideration at the NCOIL 2018 Annual Meeting

Dear NCOIL President Rapert and Health Committee Chairman Cahill:

The Independent Pharmacy Cooperative (IPC) represents the interests of pharmacist owners, managers, and employees of more than 2700 independent community pharmacies across the country. As you are aware, IPC has been an active stakeholder in the NCOIL process of developing state model legislation that would provide oversight to currently unregulated PBM activities and business practices.

IPC applauds your leadership to move this PBM regulation model through the NCOIL process. While we appreciate the effort to provide a framework that provides meaningful PBM regulation, we believe that the inclusion of drafting note suggestions rather than model bill text language would substantially weaken the model for any state seeking to adequately regulate PBM conduct. IPC supports the latest November, 2018 proposal from NCPA to revise the model draft language to include specific PBM activities that a State's health insurance regulations must cover.

We strongly encourage that the NCPA requested amendments that would establish in the model bill text the practices to be regulated in Section 7 be included in the version debated at the December 8, 2018 NCOIL Health, Long Term Care & Health Retirement Committee meeting in Oklahoma City, Oklahoma. Additionally, we also request that the original draft model's Section 6 on Compensation – Prohibited Practices, a strong consumer and marketplace protection that is necessary to achieve adequate state PBM model legislation, be placed back into the version of the model that will be debated this Saturday.

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IPC looks forward to continuing to work with you to produce a NCOIL PBM regulation model bill that will give states a meaningful statutory basis to address marketplace abuses and protect consumers, pharmacies and payers.

If you have any questions or you or the NCOIL staff wish to discuss the issues I have raised with the latest version of the NCOIL PBM regulation model bill feel free to contact me by phone (608-628-731), or email (mark.kinney@ipcrx.com).

Thank you for your consideration of IPCs position on this important issue.

Sincerely,

Mark Kinney

Mark Kinney, R.Ph., JD
Senior Vice President of Government Relations

cc: Members of the NCOIL Health, Long Term Care & Health Retirement Committee
Hon. Thomas Considine, CEO, NCOIL
Will Melofchik, Legislative Director, NCOIL