



December 4, 2019

Assemblywoman Pam Hunter
Honorable Chair
Rep. Tom Oliverson
Honorable Vice Chair
Members of the NCOIL Health Insurance & Long-Term Care Issues Committee

RE: Comments on the Prescription Drug Costs Model Act

Assemblywoman Hunter, Representative Oliverson and Members of the Health Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA) I appreciate the opportunity to again comment on the NCOIL Model Act Concerning Prescription Drug Costs. PCMA supports transparency across the supply chain, including transparency that empowers patients, prescribers, clients, and policymakers to make informed decisions that lead to optimal health outcomes and lower costs. PBMs provide patients and physicians with real-time electronic tools to determine formulary coverage and cost-sharing at the point of prescribing and at the pharmacy counter.

PCMA is the national trade association for PBMs, which administer prescription drug plans for more than 266 million Americans with health coverage provided by large and small employers, health insurers, labor unions, and federal and state-sponsored health programs.

As I noted in my letter to the committee dated July 12, 2019, PCMA and our member companies recognize Representative Oliverson for his work on Texas HB 2536 during the 2019 session that included input from all stakeholders including health plans, PhRMA, PCMA, and the Texas AARP who helped shape this legislation into what ***The Houston Chronicle* heralded as one of the “toughest drug pricing bills” in the nation.**

One of the strengths of the bill, as noted by the sponsor during the NCOIL CIP meeting, was language added in the Texas Senate, again affirmed by Rep. Oliverson at the Summer meeting and memorialized in the Summer Meeting minutes that all information gathered from individual health plans and PBMs should be aggregated before being published. This will allow the data to be reviewed by the insurance commissioner while still protecting the proprietary nature of the information.

The minutes from the Summer Meeting reflected the commitment to the Texas Amendment.

“Rep. Oliverson noted that one thing that is not included in the Model but will be included in the final version is that in Section 5 and 6, as far as the requirement to submit a report to the commissioner, all of the data that is gathered from the PBMs and health plans need to be aggregated across the entire class before it gets reported to the general public. That is a good way to prevent disclosure of proprietary or confidential information that might incentivize one member of that class to essentially enter into an anti-competitive bidding practice with another member and would be like playing football and handing over your playbook to the other team before the game starts. That would not be fair for one PBMs’ data to be published very specifically so that everyone else, not just in that group but also folks that might be engaging in negotiations with them to know what others are paying. That was not the intent of the legislation, so aggregating the information in a way that protects proprietary and confidential information is important.”

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PCMA and our members relied on the information stated at the NCOIL Summer meeting and without any public discourse were taken off guard when the 30-day materials failed to include the discussed amendment. It is clear from the minutes that all proprietary information was meant to be protected, including information from competing PBMs.

PCMA remains committed, to the following amendment:

“The commissioner shall aggregate all the collected data and publish the aggregated data from all reports for that year required by this section in an appropriate location on the department’s Internet website. The combined aggregated data from the reports must be published in a manner that does not disclose or tend to disclose proprietary or confidential information of any pharmacy benefit manager or health plan [Carrier/Insurer]”

It is our hope that the NCOIL Health Committee will include the amendment if a transparency model act is to be passed by this body.

If you should have any questions, please feel free to contact me at 270-454-1773.

Sincerely,

A handwritten signature in black ink, appearing to read "Melodie Shrader". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Assistant Vice President – State Affairs
Melodie Shrader

c.c. Tom Considine
William Melofchik