



3/2/2021

The Honorable Joseph Solomon, Jr.
House Corporations Committee
Rhode Island State Capitol
82 Smith St.
Providence, RI 02903

RE: HB 5146 RELATING TO INSURANCE – ACCIDENT AND SICKNESS INSURANCE POLICIES; Oppose

Chair Solomon, and Members of the Committee,

My name is Sam Hallemeier, Director of State Affairs writing on behalf of the Pharmaceutical Care Management Association (PCMA) to oppose HB 5146. PCMA is the national association representing America's pharmacy benefit managers (PBMs). PBMs administer prescription drug plans and operate mail-order and specialty pharmacies for more than 266 million Americans with health coverage through large employers, health insurers, labor unions, and federal and state-sponsored health programs.

PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, most choose to because PBMs help lower the costs of prescription drug coverage.

PCMA opposes HB 5146, which would limit a covered person's out-of-pocket copayment cost for prescription drugs, including specialty medications, to no more than \$100 for a month supply. Brand manufacturers are deflecting blame for skyrocketing drug costs by falsely claiming that high costs are a "coverage" problem that requires copay caps. By capping patient and out-of-pocket expenses, doctors and patients will inevitably choose more expensive brand drugs over equally effective lower-cost generics. This will add to the growing problem of price increases.

Significant changes in benefit design like this can affect the overall cost of a health plan, which in turn affects consumers' premiums. Capping copays shifts costs from patients to health plans and does nothing to lower the high and rising price of drugs. This requires the plans to increase premiums to compensate for higher costs. Eventually, all members bear these higher costs through higher premium rates.



If drug companies are concerned about patients accessing medications, they should simply lower their prices, yet drug makers have determined that it is more profitable cap copays rather than just making their medications more affordable. The simplest, most effective way to reduce patient cost on drugs is for manufacturers to drop the price of the drug.

In the interest of Rhode Island patients and payers, it is for these problematic provisions noted above that we must respectfully oppose HB 5146. Given the unique environment Rhode Island citizens and thousands of plan sponsors find themselves in, now is not the time to increase the cost of providing reliable and affordable access to prescription drugs.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "Sam Hallemeier". The signature is fluid and cursive, written over a light blue horizontal line.

Director, State Affairs