



February 29th, 2024

The Honorable Susan Donovan
Members, House Committee on Health and Human Services
Room 101 - State House
82 Smith St.
Providence, RI 02903

RE: H 7043 BENEFIT DETERMINATION AND UTILIZATION REVIEW ACT; Opposed

Chair Donovan and Members of the Committee,

On behalf of the Pharmaceutical Care Management Association (PCMA), I write to you in opposition to H 7043. PCMA is the national association representing pharmacy benefit managers (PBMs), which administer prescription drug benefits for millions of Americans with health coverage provided through large and small employers, health plans, labor unions, state and federal employee-benefit plans, and government programs.

PBMs exist to make drug coverage more affordable. This is achieved by pooling the buying power of millions of patients and leveraging that buying power to 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 use a PBM because PBMs lower the costs of prescription drug coverage, saving payers and patients an average of \$1,040 per person per year in Rhode Island.

Our industry is concerned about H 7043 because we believe it will restrict our ability to provide a high-quality benefit and put downward pressure on the rising cost of prescription drugs. Health plans and PBMs implement a variety of guidelines and programs that are designed to ensure that patients receive clinically appropriate and cost-effective drug therapies. Step therapy is one of these tools. It requires an enrollee to try a medically appropriate first-line drug, typically a generic alternative to a branded product, when a new therapy is initiated. These branded products have a much higher list price compared to the generics that are proven effective. Many drugs have harmful side effects or interact adversely with other medications; step therapy encourages trying safer, alternative therapies first.

Every plan has an established exceptions process that will permit the coverage of a drug that is not on a formulary, or reduces out-of-pocket cost if a physician provides information about side effects the patient has experienced from a lower-tiered drug, or offers another documented medical reason. These processes serve as a safeguard against the use of step therapy being too restrictive.¹ Additionally, plans and PBMs use Pharmacy & Therapeutic Committees that are comprised of independent experts, including physicians and pharmacists, to develop evidence-

¹ Making Medicines Affordable: A National Imperative," National Academies of Sciences, Engineering, and Medicine, Nov. 2017.