



March 19<sup>th</sup>, 2024

The Honorable Susan Donovan  
Members, House Health and Human Services Committee  
Room 135 - State House  
82 Smith St.  
Providence, RI 02903

**RE: H 7822 AN ACT RELATING TO INSURANCE -- BENEFIT DETERMINATION AND UTILIZATION REVIEW ACT; Opposed**

Chair Donovan and Members of the Committee,

My name is Sam Hallemeier, Senior Director of State Affairs writing on behalf of the Pharmaceutical Care Management Association (PCMA) to oppose H 7822. 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 275 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 is concerned that H 7822 would our members' ability to provide a high-quality benefit, and remove a tool that puts 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. Many drugs have harmful side effects or interact adversely with other medications, and step therapy encourages trying safer, alternative therapies first. According to the Federal Trade Commission (FTC), "large PBMs and small or insurer-owned PBMs have used step-therapy and prior authorization programs to lower prescription drug costs and increase formulary compliance." Specifically, step therapy demonstrated savings of more than 10% in targeted categories.

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According to the National Academies of Sciences, Engineering, and Medicine (NASEM): "Every plan, whether Part D or an employer-sponsored pharmacy benefit, has an exception process that permits coverage of a drug not on 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 medical reason for switching." This process safeguards against the use of prior authorization and step therapy being too restrictive, whereas the language proposed in the bill could drive up costs.

While we appreciate the noble intentions behind H 7822, public policy focused on improving affordability necessitates the continued use of proven tools that lower costs. Accordingly, we hope to continue a dialogue with you and your staff to ensure that step therapy can continue to act as a tool to lower costs and protect patient safety. For these problematic provisions noted above, we must respectfully oppose H 7822. Given the unique environment Rhode Island citizens and 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".

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