

State of Delaware Office of Auditor of Accounts

Kathleen K. McGuiness, CFE, RPh State Auditor

September 2, 2021

President Joe Biden 1600 Pennsylvania Avenue NW Washington, DC 20500

The Honorable Lisa Blunt Rochester 1724 Longworth House Office Building Washington, DC 20515 The Honorable Tom Carper 513 Hart Senate Office Building Washington, DC 20510

The Honorable Chris Coons 218 Russell Senate Office Building Washington, DC 20510

Dear President Biden, Senators Carper and Coons, and Representative Blunt Rochester:

As Delaware's State Auditor and a licensed pharmacist, I urge you to give serious consideration to the attached letter from the National Community Pharmacists Association (NCPA). I wholeheartedly support NCPA's mission to lower drug prices for seniors by directly addressing Pharmacy Benefit Managers' (PBMs) predatory practices, which include abuse of Direct and Indirect Remuneration (DIR) fees and spread pricing.

Specifically, I strongly support passage of H.R. 3554/S. 1909, known as the *Pharmacy DIR Reform to Reduce Senior Drug Costs Act*, as well as the return of legislation that previously passed the House of Representatives, H.R. 3, the *Elijah E. Cummings Lower Drug Costs Now Act*, that would ban Medicaid managed care spread pricing by PBMs.

As a pharmacist, I have seen firsthand the choices people must make between affording their life-saving medications and buying food for their families. It is heartrending to watch people make these decisions and to know that their prescription drug prices are being artificially inflated to line the pockets of CVS, Express Scripts Inc., and OptumRx with billions of dollars.

As State Auditor, I have released two special reports so far on the impact that PBMs are having in Delaware. These reports – titled <u>Lack of Transparency & Accountability in Drug Pricing Could be Costing Taxpayers Millions</u> and <u>Predatory Practices: Survey Says Middlemen Destroying Delaware's Independent Pharmacies</u> – have garnered national attention and helped to shine a light on how PBMs have gouged millions of dollars out of Delaware taxpayers and are strangling independent pharmacies' ability to stay open and serve as the first line of defense for their customers who are hurt or sick.

401 FEDERAL STREET • TOWNSEND BUILDING •3rd Floor • DOVER, DE 19901

Main Office: 302-739-4241

I urge you to support this important federal legislation and strive to help better protect Delaware's residents from fraud, waste, and abuse of their tax dollars by PBMs.

Thank you for your time and consideration. Should you have any questions, please contact me at 302-739-5055 or kathleen.mcguiness@delaware.gov.

Sincerely,

Kathleen McGuiness, RPh, CFE

Delaware State Auditor

Main Office: 302-739-4241