

January 21, 2022

The Honorable Matt Williams
Chairperson, Banking, Commerce and Insurance Committee
Nebraska State Capitol
1445 K Street
Lincoln, NE 68508

RE: NATIONAL COMMUNITY PHARMACISTS ASSOCIATION SUPPORT FOR LB 767

Dear Chairperson Williams and members of the Banking, Commerce and Insurance Committee:

I am writing to you on behalf of the National Community Pharmacists Association in support of LB 767, also known as the “Pharmacy Benefit Manager Licensure and Regulation Act.” This bill would control drug costs in Nebraska, provide greater protections for patients regarding their prescription drug benefits programs, and establish greater oversight of the pharmacy benefit managers that administer those benefits. I request that this letter be included as part of the committee’s public hearing record.

NCPA represents the interest of America’s community pharmacists, including the owners of more than 19,400 independent community pharmacies across the United States and 149 independent community pharmacies in Nebraska.

Patient access to community pharmacy services has taken a significant hit recently in Nebraska. Since 2010, the number of independent community pharmacies in Nebraska has decreased by more than 25%.¹ When community pharmacies close, patient health suffers. Research has shown that pharmacy closures “are associated with nonadherence to prescription medications, and declines in adherence are worse in patients using independent pharmacies that subsequently closed.”²

Community pharmacists have long known that the culprits responsible for the loss of community pharmacies are opaque PBM practices.³ This trend is occurring nationwide, leading lawmakers in one state to issue a report finding that “PBMs often employ controversial utilization and management tools to generate revenue for themselves in a way that is detrimental to health plan sponsors, patients, and pharmacies.”⁴ By requiring PBMs to become licensed with the state and providing for increased oversight, LB 767 would put a stop to some of the opaque practices that are threatening patient access to community pharmacy services and raising costs for patients and plan sponsors.

¹ See *NCPA Annual Digest*, 2011.

² Jenny S. Guadamuz, G. Caleb Alexander, Shannon N. Zenk & Dima M. Qato, *Assessment of Pharmacy Closures in the United States From 2009 Through 2015*, *JAMA Internal Medicine*, Oct. 21, 2019, www.jamainternalmedicine.com.

³ See Abiodun Salako, Fred Ullrich & Keith Mueller, *Update: Independently Owned Pharmacy Closures in Rural America, 2003-2018*, RUPRI Center for Rural Health Policy Analysis, July 2018, Rural Policy Brief No. 2018-2, available at <https://rupri.public-health.uiowa.edu/publications/policybriefs/2018/2018%20Pharmacy%20Closures.pdf>.

⁴ New York Senate Committee on Investigations and Government Operations, *Final Investigative Report: Pharmacy Benefit Managers in New York*, (May 31, 2019), available at https://www.nysenate.gov/sites/default/files/article/attachment/final_investigatory_report_pharmacy_benefit_managers_in_new_york.pdf.

To protect patient access to vital pharmacy services, I respectfully ask you to support LB 767. If you have any questions about the information contained in this letter or wish to discuss the issue in greater detail, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Matthew Magner".

Matthew Magner, JD
Director, State Government Affairs