

March 15, 2022

The Honorable Jim Justice
Governor of West Virginia
State Capitol, 1900 Kanawha Blvd. E
Charleston, WV 25305

RE: NATIONAL COMMUNITY PHARMACISTS ASSOCIATION SUPPORT FOR HB 4112

Dear Governor Justice:

I am writing on behalf of the National Community Pharmacists Association to urge you to protect West Virginia's patients and community pharmacies by signing HB 4112 into law. 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 194 independent community pharmacies in West Virginia.

HB 4112 will help patients by protecting their right to choose the in-network pharmacy provider that is best for them. Too often, that choice is stripped from patients by their pharmacy benefits manager (PBM), who force patients to use a particular pharmacy to fill their prescriptions, particularly high-cost specialty drug prescriptions. This practice is incredibly lucrative for insurers and PBMs, particularly those that own specialty pharmacies. In 2020, the top four specialty pharmacies were all fully or partially owned by one of the largest PBMs.¹ Those four pharmacies accounted for "75% of total prescription revenues from pharmacy-dispensed specialty drugs."²

Although this arrangement benefits insurers and PBMs, it comes at a huge cost for West Virginia's patients and local pharmacies. Not only does it limit a patient's ability to make healthcare decisions for himself or herself, it is also anticompetitive. According to a 2020 NCPA survey, 79% of responding pharmacists said their patients' prescriptions were transferred to another pharmacy in the previous six months without their patients' knowledge or consent.³ Community pharmacies lost a median of 12 patients during that time period.⁴

HB 4112 will help end this harmful practice. Under the bill, the West Virginia Offices of the Insurance Commissioner and the Board of Pharmacy will have a greater role in determining which drugs meet the definition of "specialty." This will keep PBMs from arbitrarily putting the "specialty drug" label on high-cost drugs and requiring patients to fill those prescriptions at PBM-owned pharmacies. It will also prohibit a PBM from requiring a pharmacy to meet arbitrary accreditation requirements before filling prescriptions for patients.

¹ Adam J. Fein, "DCI's Top 15 Specialty Pharmacies of 2020: PBMs Expand Amid the Shakeout – While Walgreen's Outlook Dims," DRUG CHANNELS (May 4, 2021) <https://www.drugchannels.net/2021/05/dcis-top-15-specialty-pharmacies-of.html>.

² *Id.*

³ "Patient Steering a Massive Problem for Community Pharmacists, New Survey Shows," NCPA (Sept. 17, 2020) <https://ncpa.org/newsroom/news-releases/2020/09/17/patient-steering-massive-problem-community-pharmacists-new-survey>.

⁴ *Id.*

Coupled with protections in existing law, the provisions of HB 4112 will protect patient choice from PBM conflicts of interest. Many other states have passed similar legislation protecting the patient-pharmacy relationship, and that legislation has not resulted in higher health insurance premium costs for patients or payers.⁵ HB 4112 is pro-patient, pro-pharmacy, and pro-local business. For these reasons, I ask that you sign the bill into law. If you have any questions about the information in this letter, please do not hesitate to contact me.

Sincerely,



Matthew Magner
Director, State Government Affairs

Cc: Brian Abraham, Esq.
J. Berkeley Bentley, Esq.

⁵ "PBM Reform Has Not Raised Costs for Patients and Payers," NCPA (Mar. 2022), <https://ncpa.org/sites/default/files/2022-03/pbm-regulations-one-pager.pdf>.