



May 4, 2022

The Honorable Bill Lee
Governor of Tennessee
State Capitol, 1st Floor
600 Dr. Martin L. King, Jr. Blvd.
Nashville, TN 37243

Dear Governor Lee,

On behalf of Tennessee patients and the health care providers who serve them, we are writing to express our support for Senate Bill (SB) 2458 (McNally) / House Bill (HB) 2661 (Sexton).

SB 2458/HB 2661 would help to enforce Public Chapter 569, a bill passed in 2021 that had limited enforceability of measures to curb the harmful practices of pharmacy benefit managers (PBMs). SB 2458/HB 2661 gives Tennesseans a choice of where to receive pharmacy services in the state, while working to put an end to the practices of PBMs and health insurers that are jeopardizing patient safety and access to care and local pharmacies.

An important focus of this legislation is on maintaining patient access to their lifesaving medications and their trusted pharmacist. This comes from requirements that prohibit PBMs from interfering with the right of a patient to choose their pharmacy, prohibit PBMs from attempting to coerce a patient to fill medications at a pharmacy owned by the PBM¹, and create network standards that maximize patient access to pharmacies and their medications.

SB 2458/HB 2661 would ban reimbursing a pharmacy for a prescription medication at an amount less than the actual cost to the pharmacy and stabilizes professional dispensing fees. This addresses many of the anticompetitive practices that have resulted in the closure of community pharmacies and limited patient access to their medications in underserved communities—where the neighborhood pharmacy may be the only health care provider for miles.

Finally, SB 2458/HB 2661 creates a system of overseeing PBMs with the establishment of a process for pharmacies to submit appeals to the PBM if they are being reimbursed at an unsustainable amount. Importantly, this process will be overseen by the Commissioner of Commerce and Insurance to ensure transparency and fairness in the system.

States that have adopted legislation to protect patient choice and limit the abusive behaviors of PBMs have maintained health premium increases lower than the national average. In the state of Arkansas

¹ Competition, Consolidation, and Evolution in the Pharmacy Market. *The Commonwealth Fund*. Available at <https://www.commonwealthfund.org/publications/issue-briefs/2021/aug/competition-consolidation-evolution-pharmacy-market>

(which deployed similar PBM reform in 2015)², health premiums did not increase as much as the national average (even when factoring in healthcare inflation rates). Arkansas' health premiums (\$387) are far less now than the national average (\$438), while Tennessee's average health premiums (\$445) are above the national average.

SB 2458/HB 2661 will take notable steps to protect patients' access to their medications and their pharmacist. For these reasons, the Tennessee Pharmacists Association along with the seven other pharmacy stakeholders listed below, we ask that you join us in prioritizing patients and sign SB 2458/HB 2661 into state law.

Sincerely,



Anthony Pudlo, PharmD, MBA
Executive Director
Tennessee Pharmacists Association

AlignRx
American Pharmacists Association
American Pharmacy Cooperative, Inc.
American Pharmacies
American Society of Health-System Pharmacists
National Alliance of State Pharmacy Associations
National Community Pharmacists Association

² Kaiser Family Foundation. Marketplace Average Benchmark Premiums. Available at <https://www.kff.org/health-reform/state-indicator/marketplace-average-benchmark-premiums/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>