

January 30, 2023

The Honorable Fred Baldwin
Chair, Senate Labor, Health, and Social Services Committee
P.O. Box 1032
Kemmerer, WY 83101

Dear Chair Baldwin and Members of the Committee:

I am writing to you today on behalf of the National Community Pharmacists Association in support of SF 151, which would help control drug costs in Wyoming, provide greater protections for patients regarding their prescription drug benefits programs, and establish greater oversight of the pharmacy benefit managers (PBMs) that administer those benefits.

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 46 independent community pharmacies in Wyoming. These pharmacies employed more than 560 residents and they filled nearly 3 million prescriptions in 2021.

Community pharmacists have long known that opaque PBM practices not only hamper patients' ability to obtain pharmacy services from their trusted community pharmacists, but those practices can also lead to higher drug costs for both patients and plan sponsors. Due to the massive consolidation and vertical integration in the health insurance market¹, the three largest PBM's control 80% of the prescription drug market² giving them the power to engage in abusive practices which limit patient access, increase drug costs and threaten the viability of small business pharmacies. SF 151 would stop some of those opaque practices that are threatening patient access to community pharmacy services and raising costs for patients and plan sponsors.

Given the above concerns, NCPA strongly supports the bill's transparency and oversight provisions under the authority of the Insurance Commissioner. In particular, we support the provisions enabling the Insurance Commissioner to investigate PBMs and to promulgate rules for implementing the law. To these ends, we strongly support the appropriations provisions for the Department of Insurance to develop PBM-specific expertise to make possible the enforcement of laws and regulations.

SF 151 would limit the PBM conflicts of interest that limit patient choice and raise out-of-pocket costs. It is not uncommon for a PBM to usurp a patient's authority to make his or her own healthcare decisions by steering the patient to a PBM-owned pharmacy, often a mail-order pharmacy. The PBM is then free to reimburse its pharmacy at higher rates than other pharmacies, thereby forcing patients and plan sponsors to pay higher costs to the PBM. SF 151 would control this conflict of interest by prohibiting a PBM from

¹ <https://ncpa.org/sites/default/files/2023-01/verical-bus-chart.jpg>

² [Drug Channels: The Top Pharmacy Benefit Managers of 2021: The Big Get Even Bigger](#)

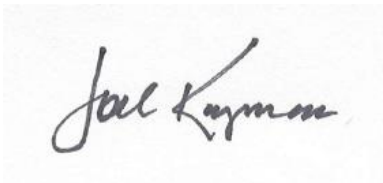
reimbursing non-affiliated pharmacies at lower rates than the PBM's affiliated pharmacies and steering patients with various incentives.

SF 151 would also prohibit retroactive clawbacks that end up increasing out-of-pocket costs for patients. When a PBM has reimbursed a pharmacy for filling a prescription, it is not uncommon for the PBM to claw back a portion of the reimbursement days, weeks, or even months later, and often under the guise of effective rate reconciliations or "transaction fees." However, a patient's cost share is not similarly retroactively adjusted. This means that a patient's cost share is based on an arbitrarily inflated figure. By prohibiting retroactive claim reductions, SF 151 will ensure patients' cost shares more accurately reflect the true cost of their health care services.

NCPA also supports the bill's reimbursement provisions that create clear guidelines for Maximum Allowable Cost reimbursement schemes and facilitates the process by which a pharmacy can submit appeals. In cases where reimbursement is below cost, we support the pharmacy being able to choose whether or not to fill the claim at a loss.

In conclusion, SF 151 would protect patients and pharmacies by putting an end to costly, opaque PBM practices. To protect patient access to vital pharmacy services, I respectfully ask you to support the bill. 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 at joel.kurzman@ncpa.org.

Sincerely,

A handwritten signature in black ink that reads "Joel Kurzman". The signature is written in a cursive style with a large initial "J" and "K".

Joel Kurzman
Director, State Government Affairs

CC: The Honorable Lynn Hutchings