

April 14, 2025

The Honorable Kyle Mullica
Chair, Senate Health and Human Services Committee
200 E. Colfax, Room 346
Denver, Colorado 80203

RE: HB 25-1222 and HB 25-1094 – NCPA supports

Dear Chair Mullica, Vice Chair Michaelson Jenet, and Members of the Committee:

I am writing on behalf of the National Community Pharmacists Association (NCPA) in support of PBM reform provisions in HB 25-1222 and HB 25-1094. We are pleased that the bills recognize the need to control drug costs in Colorado, provide transparency for patients and employers 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 nearly 19,000 independent community pharmacies across the United States and approximately 122 independent community pharmacies in Colorado. These pharmacies employed more than 1,300 residents and they filled more than 7.2 million prescriptions in 2023.

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.

NCPA strongly supports the proposed amendment to use the National Average Drug Acquisition Cost (NADAC) benchmark as the foundation for drug product reimbursement, as found in both HB 25-1222 and HB 25-1094. While not perfect, NADAC is an average that is determined by a monthly nationwide survey, which usually makes its reimbursement fair and reasonable to community pharmacies. We also support the use of a cost-based dispensing fee per the state's Medicaid fee-for-service methodology, such as found in HB 25-1222. We prefer Medicaid program's data-driven cost to dispense over the less certain "reasonable and adequate" dispensing fee per HB 25-1094. However, in either approach to establishing a professional dispensing fee, we urge regular updating to keep the figure reflective of a pharmacy's cost to dispense.

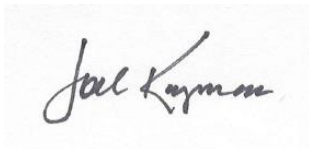
¹ <https://ncpa.org/sites/default/files/2023-01/verical-bus-chart.jpg>

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

In combination, by enacting these reimbursement measures to address both NADAC for product reimbursement and an appropriate professional dispensing fee, Colorado would be approaching the stature of leaders West Virginia, Tennessee, and Kentucky in creating transparent cost-based reimbursement regiments that sustain independent community pharmacies.

Thank you for receiving our perspective. We urge you to advance this critical legislation. We wish to thank the prime sponsors for their leadership on the bills. If you have any questions, please do not hesitate to contact me at (703) 600-1186 or joel.kurzman@ncpa.org.

Sincerely,

A handwritten signature in black ink that reads "Joel Kurzman". The signature is written in a cursive, flowing style.

Joel Kurzman
Director, State Government Affairs