

March 20, 2025

The Honorable Julie Pazina
Chair, Senate Committee on Commerce and Labor
Legislative Building
401 S. Carson Street
Carson City, NV 89701

RE: Strong Support for SB316 – Prescription Drug Pricing Transparency (PBM Reform)

Dear Chair Pazina, Vice Chair Daly, and Members of the Senate Committee on Commerce and Labor,

I am writing on behalf of the National Community Pharmacists Association (NCPA) in support of SB 316, which would help control drug costs in Nevada, preserve patient choice, and create opportunity for sustainable oversight of the pharmacy benefit managers (PBMs) that administer drug 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 approximately 83 independent community pharmacies in Nevada. These pharmacies employed nearly 900 residents, and they filled almost 5 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 provision requiring PBMs not to reimburse a pharmacy or pharmacist less than the amount a PBM reimburses to its owned or affiliated pharmacies. It is not uncommon for a PBM to require patients to utilize a PBM-owned or affiliated pharmacy, often a mail-order pharmacy. The PBM is then free to reimburse its pharmacy at higher rates, thereby forcing patients and plan sponsors to pay higher costs to the PBM. These provisions in SB 316 will disincentivize patient steering.

NCPA believes strongly that patients should be able to choose their pharmacy. Patients often have longstanding relationships with their local independent pharmacist. PBMs should be required to contract with any pharmacy that is willing to accept all the same terms and conditions as those pharmacies

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](#)

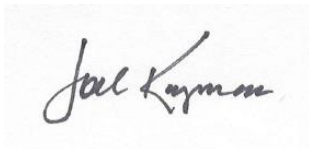
affiliated or owned by the PBM. To points often made by opponents, if a pharmacy accepts all the same terms and conditions as would a pharmacy in a narrow network, how could it cost more to include the non-owned or affiliated pharmacy? Any willing provider policies help ensure a patient can choose a pharmacy that's in the patient's best interest, not just what's in the PBM's best interest. We commend SB 316 for taking this approach.

NCPA also supports the prohibition of the many types of pernicious fees PBMs use to claw back pharmacy reimbursement. 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, SB 316 will ensure patients' cost shares more accurately reflect the true cost of their health care services.

Last but certainly not least, SB 316 is prudent to consider oversight and enforcement of the above-noted provisions. Violations will result in civil penalties ranging from \$1,000 to \$7,500 per violation, with certain infractions classified as deceptive trade practices, leading to further legal and financial consequences. NCPA believes this is a good start to broader oversight and enforcement scheme. For your future consideration, NCPA offers its Best Practices for Enforcement of PBM Regulation as a resource to stakeholders in Nevada.³

Thank you for receiving our perspective. We urge you to advance this critical legislation. We wish to thank Senators Nguyen, Stone, and Titus for their primary sponsorship of the bill. If you have any questions, please do not hesitate to contact me at (703) 600-1186 or joel.kurzman@ncpa.org.

Sincerely,



Joel Kurzman
Director, State Government Affairs

Cc:
Senator Pazina – Chair
Senator Daly – Vice Chair
Senator Scheible

³ <https://ncpa.org/sites/default/files/2024-07/ncpa-best-practices-pbm-enforcement.pdf>

Senator Lange
Senator Flores
Senator Ellison
Senator Rogich
Senator Steinbeck