

May 29, 2025

The Honorable James M. Murphy
House Chair, Joint Committee on Financial Services
24 Beacon Street
Room 254
Boston, Massachusetts 02133

The Honorable Paul Feeney
Senate Chair, Joint Committee on Financial Services
24 Beacon Street
Room 112
Boston, Massachusetts 02133

Re: H.1157 and S.831 – NCPA supports

Dear Chair Murphy, Chair Feeney, and Members of the Committee:

The National Community Pharmacists Association (NCPA) is writing in support of H.1157 and S.831, legislation to help control drug costs in Massachusetts, 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 142 independent community pharmacies in Massachusetts. These pharmacies employed more than 1,500 residents and they filled nearly 8.5 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 using transparent cost-based pharmacy reimbursement methodologies in the commercial markets such as those used by the Massachusetts Medicaid program. This is not a novel approach as both the states of West Virginia, Tennessee, and Kentucky have implemented similar provisions for their commercial insurance markets. In the current state legislative cycle, similar bills have

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](#)

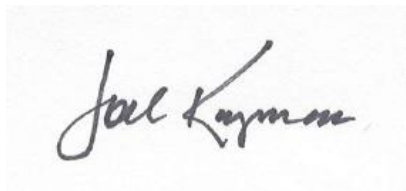
also been signed into law in Alabama, Indiana, Montana, and Colorado. This transparent reimbursement approach will ensure that both the insured and plan sponsor know how their money will be spent.

We also support the language preventing PBMs from reimbursing their owned or affiliated pharmacies more than other pharmacies. This will have added the benefit of disincentivizing patient steering. 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.

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 and effective rates, H.1157 and S.831 will ensure patients' cost shares more accurately reflect the true cost of their health care services.

In closing, NCPA seeks your support for H.1157/S.831. Thank you for receiving our perspective. 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