

June 9, 2026

The Honorable Dan Frankel
Chair, House Health Committee
Pennsylvania House of Representatives
501 North 3rd Street
Harrisburg, PA 17120

Re: Support for HB 2270

Dear Chair Frankel and Members of the Committee,

I am writing on behalf of the National Community Pharmacists Association (NCPA) in support of HB 2270, which would establish a single State pharmacy benefits manager (PBM) to oversee pharmacy benefits for Pennsylvania Medicaid.

NCPA represents the interest of America's community pharmacists, including the owners of more than 18,900 independent community pharmacies across the United States and more than 720 independent community pharmacies in Pennsylvania. These pharmacies employed more than 8,900 individuals, and they filled over 48 million prescriptions in 2024.

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.

HB 2270 would establish a single, state-contracted PBM to administer pharmacy benefits across Pennsylvania's Medicaid managed care program. NCPA strongly supports this approach, as it would improve transparency, accountability, and consistency in Pennsylvania's Medicaid

1. [Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, Retail Pharmacies, Mail-Order Pharmacies, and Providers, 2022](#)
2. Fein, Adam J. "The Top Pharmacy Benefit Managers of 2021: The Big Get Even Bigger." Drug Channels, HMP Omnimedia, LLC, 5 Apr. 2022, www.drugchannels.net/2022/04/the-top-pharmacy-benefit-managers-of.html.
3. [Judy-Cecil, Veronica, and Steve Buchtel. "Single Pharmacy Benefit Manager." Interim Joint Committee on Health Services, 27 Sept. 2023.](#)
4. "SPBM Program Review/Experience Analysis." *Medicaid.Ohio.Gov*, 9 Apr. 2025, <https://ncpa.org/sites/default/files/2025-06/SPBM%20-%20Ohio%20Medicaid.pdf>. Accessed 9 June 2026.

program. You may know that Kentucky, Louisiana, Minnesota, Mississippi, Nevada, Ohio, and Virginia now (or will) contract with a single PBM to administer their Medicaid managed care prescription drug benefits. Despite claims by opponents that a single PBM would increase costs in Kentucky, the Commonwealth saved \$282 million over 2 years.³

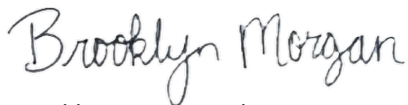
Additionally, HB 2270 would establish a pharmacy reimbursement floor within managed Medicaid. Fee-for-service (FFS) Medicaid reimbursement rates are transparent and both cost- and evidence-based. The Centers for Medicare & Medicaid Services (CMS) requires state Medicaid programs to reimburse pharmacies based on the actual acquisition cost of drugs plus a professional dispensing fee determined through a cost of dispensing survey.

Evidence from Ohio underscores the effectiveness of this approach: the Ohio Department of Medicaid's evaluation of its single PBM reform program showed \$140 million in savings over the first two years⁴, even after increasing the average professional dispensing fee in alignment with the state's FFS methodology.

We support HB 2270's use of the National Average Drug Acquisition Cost (NADAC) benchmark, which is updated monthly, along with the adoption of the Medicaid FFS professional dispensing fee. NCPA also encourages the Commonwealth of Pennsylvania to conduct regular cost of dispensing surveys to ensure the professional dispensing fee remains current and accurately reflects pharmacies' costs to dispense medications.

We urge you to support HB 2270. Thank you for receiving our perspective. If you have any questions, please do not hesitate to contact me at (703) 600-1179 or brooklyn.morgan@ncpa.org.

Sincerely,

A handwritten signature in cursive script that reads "Brooklyn Morgan".

Brooklyn Morgan, PharmD
Associate Director, State Government Affairs