



SB 100/AB 114 Will Drive Up Costs, Harm Patients

Dear Legislators:

We are committed to ensuring Wisconsin patients have access to quality, affordable health care. The increasing cost of prescription drugs is challenging Wisconsin patients' access to necessary medications—but Senate Bill 100/Assembly Bill 114 (“PBM bill”) does not solve the price problem. In fact, the PBM bill will increase costs, stifle innovation, impede quality improvement efforts, jeopardize patient safety, and harm patient health outcomes. For these reasons, we request that you set this bill aside and work with all stakeholders to improve affordable access to prescription drugs.

The PBM bill puts government directly in the middle of private contracting, and will increase costs by imposing onerous and unnecessary government rules. The bill creates duplicative regulations, and even establishes rules that directly conflict with federal law and government programs.

The bill also limits competition between pharmacies, and will increase costs by undercutting health plans' and PBMs' ability to negotiate for better discounts. In addition, the bill prevents health plans and PBMs from responding to safety, efficacy, and cost concerns in real-time.

Additionally, the bill impedes efforts to create pharmacy networks that provide higher quality care at a lower cost. Value-based, quality-driven contracting focuses on improving patients' health outcomes and should be supported—not obstructed like it is under this bill.

We are especially concerned that the PBM bill eliminates standards that help keep patients safe and improve their care when taking medications that treat complex diseases or have serious side effects.

We support ensuring that patients know about and pay the cash price for a drug if it's lower than their plan's cost-sharing amount. This is already standard industry practice. In addition, so-called pharmacist "gag clauses" were banned by federal legislation passed in October 2018.

The PBM bill creates an uncompetitive, lower quality market that will benefit certain pharmacies at the expense of Wisconsin patients—many of whom already struggle to access the medications they need at a price they can afford.

Both the Office of the Commissioner of Insurance (OCI) and the Department of Employee Trust Funds said the PBM bill could reduce access and increase costs. OCI said provisions in the bill "could reduce access to prescription medications for some consumers with limited mobility or with limited access to transportation, particularly in rural communities."

The PBM bill will not achieve the goal of providing affordable access to prescription drugs. We encourage lawmakers to set this bill aside and work with all stakeholders to better address issues around affordable access to prescription drugs.

Contacts:

Alliance of Health Insurers, RJ Pirlot, 10 East Doty St., Suite 500, Madison WI, (608) 310-5325
America's Health Insurance Plans, Mary Haffenbredl, 601 Pennsylvania Ave, Washington, DC
202-413-9817

Wisconsin Association of Health Plans, Tim Lundquist, 10 E. Doty, St. Madison, WI 608-255-8599