



March 27, 2017

The Honorable Richard Pena Raymond and
Members of the House Human Services Committee
PO Box 2910
Austin, TX 78768

Re: Opposition to HB1917 – “An Act relating to contract requirements for prescription drug benefits”

Dear Mr. Raymond and Members of the Committee:

The Pharmaceutical Care Management Association (“PCMA”) is submitting the following comments in opposition to HB 1917 “An Act relating to contract requirements for prescription drug benefits.” PCMA is the national trade association representing America’s pharmacy benefit managers (“PBMs”), which administer prescription drug plans for more than 266 million Americans with health coverage provided through Fortune 500 employers, health insurance plans, labor unions, and Medicare Part D.

PCMA opposes any legislation that would interfere with the use of proven clinical evidence-based PBM management tools including formulary development and management. A drug formulary is a continually updated list of drugs that represents the best clinical judgment of independent clinicians who are experts in the diagnosis and treatment of disease. The clinicians evaluate medications using current evidence and best practices, making recommendations on drugs that should be included on a plan formulary. Medicaid Managed Care Organizations (MCO), health plans and pharmacy benefit managers (PBMs) then design the drug benefit around that formulary typically with tiered cost-sharing for generics, brands, and specialty products, to encourage patients and prescribers to choose the safest, most effective and highest-value medications.

HB 1917, by extending the sunset clause to August 31, 2030, prohibits Texas’ MCO’s from developing and using a formulary that encourages the use of the most safe, effective and highest –value medications, while still adhering to strict contract requirements and oversight by the state of Texas.

PCMA supports the use of PBM formulary management. Allowing a PBM to work with the MCO to develop and implement prescription drug care coordination will improve the quality of care without sacrificing current patient protections.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Melodie Shrader", written in a cursive style.

Melodie Shrader
Senior Director, State Affairs