



SB 1076 INTERFERES WITH PRIVATE CONTRACT NEGOTIATIONS PCMA OPPOSES SB 1076

PCMA Believes the Patient Should Pay the Lowest Possible Price Available for a Drug at the Point of Sale

- PCMA believes the patient should NEVER pay more in cost sharing for a drug at the pharmacy counter than the pharmacy's submitted price (cash price).
- PCMA recognizes, as an industry, that it is a best practice to allow a patient to pay their co-pay or the lowest price available for that drug at the time of purchase.
- PCMA opposes SB1076 because it contains language that would prohibit performance based contracting provisions such as those used by CMS in Medicare Part D today.

SB1076 Prohibits Performance Based Contracting

- Performance based contracting promotes affordable, quality care from all health care providers (doctors, hospitals and pharmacists).
- Performance based incentives are either added to or taken from the pharmacy reimbursement, not the patients cost sharing. You cannot measure pharmacy quality performance until after they have performed something to measure.
- Performance based reimbursement is used in contracting with many health care providers including hospitals, doctors, and in the Medicare Part D program. It is not unreasonable to expect pharmacists to participate in value based purchasing arrangements common in the rest of the health care system.
- The pharmacy lobby is trying to hide behind patient protection legislation to keep market-based reimbursement out of their contracts.
- SB1076 **SHOULD** protect the patient and **NOT** prohibit contractually agreed upon quality based outcome measurements.

SB1076 Contains Language that Interferes with Contracts Between a Pharmacy and a PBM By Representing the Language as a Patient Protection

- SB 1076 limits post point of sale contractual adjustments that are agreed to in freely negotiated contracts between the pharmacy and the PBM.
- Alternative language that protects the consumer and allows for market-based contract negotiations have been rejected by the pharmacy lobby.

The Pharmaceutical Care Management Association ("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.