



February 26, 2018

The Honorable Michael D'Agostino, Chair  
The Honorable Carlo Leone, Co-Chair  
The Honorable Kevin D. Witkos, Co-Chair  
Honorable Members, Joint Committee on General Law  
Legislative Office Building, Room 3500  
Connecticut State Capitol  
Hartford CT 06106

**Re: Opposition to SB 197 – Interchangeable Biologics**

Dear Chairs and Members of the Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), I am writing you regarding SB 197 (interchangeable biologics). PCMA is the national association representing pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 266 million Americans with health coverage provided through large and small employers, health insurance plans, labor unions, state and federal employee-benefit plans, and government programs. We are writing to respectfully oppose SB 197 because its policies would establish a barrier to effective cost management and higher quality in health care, and deprive patients from accessing lower cost medications.

SB 197 would allow pharmacists to substitute biologics with interchangeable biologics, similar to how pharmacists may currently substitute lower cost generics for brand name drugs in the small molecule market. Unfortunately, SB 197 contains several provisions that will actually harm the ability to substitute lower cost, but equally effective, biologic products.

One problem is that unlike in the case of generic drug dispensing, where there is a presumption that a generic drug will be dispensed in the place of a brand name drug if available and the prescriber hasn't indicated "dispense as written," SB 197 actually erects a barrier to the dispensing of interchangeable biologics. Additionally, the prescriber notification terms of SB 197 in proposed section 20-579(m) make dispensing an interchangeable biologic administratively costly and burdensome, giving pharmacists only two days to provide notification. Small community pharmacies likely will not have the bandwidth required to comply with these terms and may opt to simply fill the prescribed biologic, leaving opportunities for savings on the table. Treating an interchangeable biologic as an inferior product needing an additional layer of state regulation is simply brand biologic market protection, benefitting biologic manufacturers and shielding them from competition.

Additionally, proposed section 20-619(n) in SB 197 prohibits the dispensing of interchangeable biologics through mail service pharmacies. Mail service pharmacies have a long track record of handling drugs safely and cost-effectively, providing excellent customer service with 24/7 access to pharmacists; providing convenient home delivery for those who are busy, elderly, or homebound; and providing an affordable pharmacy option for healthcare payers and consumers. Research has found that mail service pharmacies dispensed prescriptions with 23-times greater



accuracy than retail pharmacies, finding that the error rate was zero in several areas, including dispensing the correct drug, dose, and dosage form.<sup>1</sup> Additionally, the Department of Defense found that its TRICARE Mail Order Pharmacy Program was 99.9997% free of clinical errors.<sup>2</sup> Finally, mail service pharmacies are a lower-cost, high quality dispensing channel that payers elect to use for their plan beneficiaries. Given that home delivery is expected to save consumers employers, and other payers \$59.6 billion over ten years,<sup>3</sup> it is highly likely that payers will want to use mail service pharmacies for interchangeable biologics. PCMA believes that is short sighted for the state to set restrictions around the dispensing of interchangeable biologics.

For these reasons, PCMA respectfully opposes SB 197. Please let us know if you have any questions about our position. Thank you.

Sincerely,

A handwritten signature in black ink that reads "April C. Alexander". The signature is fluid and cursive, with a long horizontal stroke at the end.

April C. Alexander  
Assistant Vice President, State Affairs

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<sup>1</sup> Teagarden, J.R., et al, Dispensing Error Rate in a Highly Automated Mail-Service Pharmacy Practice. *Pharmacotherapy: Official Journal of the American College of Clinical Pharmacy*, 25(11), 1629-1635 (2005).

<sup>2</sup> Office of the Inspector General, *Department of Defense, The TRICARE Mail Order Pharmacy Program Was Cost Efficient and Adequate Dispensing Controls Were in Place*, (July 2013).

<sup>3</sup> Visante, prepared for PCMA (September 2014).