



May 8, 2018

The Honorable Senator Joshua Miller, Chair
Honorable Members, Senate Health & Human Services Committee
State House, Room 212
Providence, RI 02903

RE: Concerns Regarding S. 2859 Related to Step Therapy Protocols

Dear Chair and Members of the Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), I am writing you to you regarding our concerns about S. 2859 (step therapy protocols). 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 plans, labor unions, state and federal employee-benefit plans, and government programs.

S. 2859 establishes new expansive step therapy exception process requirements, eroding drug management tools and interfering with the meaningful review of medical necessity that protects patients. Health plans and PBMs implement a variety of guidelines and programs that are designed to ensure that patients receive clinically appropriate and cost effective drug therapies. Step therapy is one of these tools. It requires an enrollee to try a medically appropriate first-line drug, typically a generic alternative to a branded product, when a new therapy is initiated. Many drugs have harmful side effects or interact adversely with other medications; step therapy encourages trying safer, alternative therapies first.

Every plan has an established exceptions process that will permit the coverage of a drug that is not on a formulary, or reduces out-of-pocket cost if a physician provides information about side effects the patient has experienced from a lower-tiered drug, or offers another documented medical reason. These processes serve as a safeguard against the use of step therapy being too restrictive.¹ Additionally, plans and PBMs use Pharmacy & Therapeutic Committees that are comprised of independent experts including physicians and pharmacists to develop evidence-based guidelines used in drug management programs, such as step therapy, and assure cost controls do not impair the quality of clinical care. Finally, according to the Federal Trade Commission (FTC), "large PBMs and small or insurer-owned PBMs have used step-therapy and prior authorization programs to lower prescription drug costs and increase formulary compliance."²

¹ "Making Medicines Affordable: A National Imperative," National Academies of Sciences, Engineering, and Medicine (NASEM), Nov. 2017.

² "Pharmacy Benefit Managers: Ownership of Mail-Order Pharmacies," Federal Trade Commission (FTC) Aug. 2005.



It is essential that any legislation considered does not erode programs that help patients and ensure a cost effective pharmacy benefit. PCMA believes that S. 2859 unnecessarily restricts existing programs and therefore opposes this legislation.

Sincerely,

A handwritten signature in black ink that reads "April C. Alexander".

April C. Alexander
Assistant Vice President, State Affairs