PCMA Opposes HB2099

Texas already has some of the strongest patient protections in the country. HB2099 extends beyond the negotiated 2017 patient protection legislation and adds profit protections for brand name drug manufactures at the expense of consumers and payers. HB2099 will increase the health care costs for employers and Texas residents in the form of higher health insurance premiums and higher drug prices.

Access To Non-Formulary Drugs Exists Today

- 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."* The FTC also found that "prior authorization often involves a clinical justification for the use of drugs that are prone to misuse or are especially costly."[1]
- On the surface, a "frozen formulary" appears to aid patients, but in reality, limiting a drug formulary is a protectionist provision that encourages a brand drug manufacturer to get a patient "stabilized" on a drug and then demand that patient continue on that therapy when there may be equally effective but more affordable alternatives.
- By mandating coverage for specific drugs—regardless of the availability of effective, more affordable alternatives, **including the availability of a generic**—this bill will increase health care costs for employers and individuals in the form of higher health insurance premiums and higher drug prices.

HB2099 Prevents Real Time Management of Drug Cost and Patient Safety

- The role of a Pharmacy Benefit Manager (PBM) is to help insurers and other payers provide their members access to safe, effective and affordable medications. Pricing in the drug market is volatile, and there are few tools to incent drug manufacturers to reduce prices. Formulary placement and encouragement to use lower-cost generics and brand alternatives are among those tools. HB2099 threatens these cost saving mechanisms.
- HB2099 hinders the implementation of drug management tools which a safe and effective prescription drug program should be based. Health plans and PBMs need the ability to move quickly to adjust coverage as evidence of adverse patient outcomes becomes available.

  For example, some health plans stopped covering Vioxx well before the Food and Drug Administration acted on reports that the drug resulted in serious cardiac problems for patients, some of whom actually died as a result.
- Unfortunately, this bill mandates that health plans and PBMs continue to cover a potentially dangerous drug, such as one like Vioxx, irrespective of the potential harm to patients.

[1] Federal Trade Commission, "Pharmacy Benefit Managers: Ownership of Mail-Order Pharmacies," August 2005, available at http://ftc.gov/reports/index.htm#2005. [Emphasis added].