IDAHO HB 363 TALKING POINTS

- This proposed legislation would create a pricing scheme that will limit the ability of plan sponsors and consumers to benefit from the dramatic cost savings associated with generic competition with brand name drugs that have lost their patent protection.

- Maximum allowable cost (MAC) is the payment for the unit ingredient costs for off-patent drugs (generics) developed by a PBM or an insurance plan.

- A MAC list creates a standard reimbursement amount for identical products. A MAC list is a common cost management tool that is developed from a proprietary survey of wholesale prices existing in the marketplace, taking into account: market share, existing inventory, expected inventories, reasonable pharmacy profits margins, and other factors. The federal government and state Medicaid programs use a similar tool.
    - *The purpose of the MAC list is to ensure that the pharmacy and/or their buying groups are always motivated to seek and purchase generic drugs at the best and lowest price available in the marketplace.*
    - *Unfortunately, some pharmacies may have financial limitations or consequences acquiring certain prescription drugs outside of their primary wholesaler.*
    - *The MAC list ensures that the PBM, on behalf of their clients (primarily employers), are paying a fair price for widely available generic drugs.*

- This proposed legislation would only allow drugs that can be included on a MAC list to those that are "A" or "B" AND "NR" or "NA"-rated medications. There are no drugs that meet this definition.

- **This restriction would allow pharmacies to purchase these drugs at a discounted rate, but force employers to reimburse them at excessive brand prices. This bill directly increases health care costs for Idaho consumers and employers while pharmacies unfairly benefit from unfair higher reimbursement rates that will be borne by patients and payers.**

- This proposed bill is an attempt by pharmacists to dictate what they should be paid and incorrectly assumes the generic drug marketplace is static. As drafted, this legislation would give pharmacies no incentive to shop for generic drugs from wholesalers at the lowest possible cost – leading to guaranteed higher profits for themselves at the expense of consumers.

- The proposed bill requires the MAC list sources to be provided to a pharmacy even though they may not want this list and we have to assume it be in paper format. This is wasteful of time and resources.

- Subdivision (5)(d) is redundant to (5)(c) and not sure why it is needed.

- There are terms used in this bill that are not used in the correct context as well as missing words.

- A pharmacy has 30 days after a reimbursement is made to appeal. Given the way pharmacy claims are handled, this is an excessive amount of time.

- There is no mention of how an appeal timeline should be handled for the PBMs, nor is there mention of how an appeal denial or approval should be handled.