



April 7, 2021

Chair Jim Wood
Vice Chair Chad Mayes
Assembly Committee on Health
State Capitol
Sacramento, CA 94249

Re: AB 1011, Substance Use Disorder Mandate

Dear Chair Wood, Vice Chair Mayes and Members of the Assembly Committee on Health:

The Pharmaceutical Care Management Association (PCMA) opposes AB 1011 unless amended.

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. PBMs are engaged by clients including health insurers, government agencies, unions, school districts, and large and small employers, to manage pharmacy benefits pursuant to health insurance benefits and contracts. The work of PBMs during the current COVID-19 crisis is emblematic of the work they do every day to help ensure patients have access to the right medicine at the right time.

While we support the intent of AB 1011 and public policy efforts addressing the substance abuse epidemic in our State and country, we are concerned about the unintended consequences of eliminating important cost and quality tools. The bill, as written, imposes undue restrictions on the ability to ensure the most cost-effective, clinically appropriate drug is dispensed to each patient based on their unique health condition.

In short, step therapy and prior authorization ensure each patient receives the right medicine at the right time. All health service plans provide for an exception process based on the clinical needs of each patient. When mandatory e-prescribing becomes effective in January 2022, step therapy and prior authorization determinations can be made in near real-time. E-prescribing will facilitate doctor-patient discussions where they should occur – in a doctor's office.

For these reasons, we respectfully request that PBMs be allowed to continue to use these important cost saving, quality enhancing tools on behalf of health care service plans.

Please let us know if you have any questions or if we can provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Head", is written over the word "Sincerely,".

Bill Head
Assistant Vice President

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