



April 14, 2021

The Honorable Senator Sanborn Senate Chair, Representative Tepler House Chair
Members, Joint Standing Committee on Health Coverage, Insurance and Financial Services
Cross Building, Room 220
Augusta, ME 04330

RE: LD 1268 An Act To Provide Greater Access to Treatment for Serious Mental Illness by Prohibiting an Insurance Carrier from Requiring Prior Authorization or Step Therapy Protocol; Oppose

Dear Chair Sanborn, Chair Tepler, Members of the Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), I am writing you to provide our comments regarding LD 1268 (step therapy). PCMA is the national association representing pharmacy benefit managers (PBMs), which administer prescription drug plans for millions of Americans with health coverage provided through large and small employers, health plans, labor unions, state and federal employee-benefit plans, and government programs.

PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, most choose to because PBMs help lower the costs of prescription drug coverage.

PCMA appreciates the opportunity to provide comment on LD 1268. Our industry is concerned about the bill because we believe it will restrict our ability to provide a high quality benefit and put downward pressure on the rising cost of prescription drugs. 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

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



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 If Maine implements prohibitions on PA and ST, projected drug costs for fully insured employers and commercial health plans would increase by \$265 million in the state over the next ten years.³

In the interest of Maine patients and payers, it is for these problematic provisions noted above that we must respectfully oppose LD 1268. Given the unique environment of high drug prices that Mainers and plan sponsors find themselves in, now is not the time to increase the cost of providing reliable and affordable access to prescription drugs.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "S. Hallemeier", is positioned above the typed name.

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² Pharmacy Benefit Managers: Ownership of Mail-Order Pharmacies,” Federal Trade Commission, Aug. 2005.

³“Increased Costs Associated With Proposed State Legislation Impacting PBM Tools,” Visante, April 2020.