



October 4<sup>th</sup>, 2024

## OAHC 2024 Annual Hearing Written Testimony Submission

### Submitter Information

Organization: Pharmaceutical Care Management Association (PCMA)

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Title: Sr. Director – State Affairs

Thank you for the opportunity to respond to your inquiry regarding cost-related barriers that consumers in Maine face when attempting to access health care. Like you, we are concerned with the high and rising costs of health care in the United States and along with our members are seeking and developing solutions to address this challenge.

The Pharmaceutical Care Management Association (PCMA) is the national association representing America's pharmacy benefit companies, which administer prescription drug plans and operate home delivery and specialty pharmacies for more than 275 million Americans with health coverage through Medicare, Medicaid, public and private employers, labor unions, retiree plans, the Federal Employees Health Benefits (FEHB) program, and exchange plans.

PCMA's diverse membership of pharmacy benefit companies work closely with health plans and health insurance issuers to secure lower costs for prescription drugs and achieve better health outcomes. These savings allow employers, government programs, and labor unions to keep offering quality drug benefits to their employees, beneficiaries, and retirees across America – ensuring that premiums are affordable, and patients have choices and access to pharmacies where they can get the drugs they need at a price they can afford. When PBMs are not used, it costs plan sponsors and patients money. For example, the Office of the Inspector General recently released a report noting that the Department of Labor overspent \$321.3 million in a six-year span (2015-2020) on prescription drugs for its Federal Employees' Compensation Program (FECA) because the Office of Workers' Compensation Programs (OWCP) did not use a PBM.<sup>1</sup>

There is no requirement that any entity use a PBM to administer their prescription drug plan, yet health plan sponsors, including employers, voluntarily hire PCMA's member organizations to secure savings and provide choice and specialized expertise on pharmacy benefit design, coverage, and delivery.

In the sections below, we will share information about the tools pharmacy benefit companies use to combat high list prices set by drug manufacturers, the power of appropriate transparency tools, and the need to evaluate everyone in the entire supply chain during this critical time when our country is facing inflationary concerns.

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<sup>1</sup> OIG. 2023. <https://www.oig.dol.gov/public/reports/oa/2023/03-23-001-04-431.pdf>.



## **Ensure System Sustainability by Promoting Competition**

A competitive private market is the best way to manage drug costs. Interventions should be focused on fixing specific market failures or gaps rather than subverting the market entirely. Policies that enhance competition will make drugs more affordable.

1. Stop Patent Abuse
  - a. To increase competition and lower patient and plan sponsor costs, it is imperative for policymakers to end the anticompetitive tactics used by big drug companies.
2. Ensure Drugs Can Compete Fairly
  - a. Big drug companies block competitors from coming to market through a variety of anticompetitive tactics used to undermine the market in their favor
3. Promote Generic and Biosimilar Competition
  - a. As evidenced by the impact of generic drugs, the most effective way to reduce prescription drug costs is to increase competition in the marketplace. Similarly, when more biosimilars enter the market, increasing their uptake will help boost competition and lower costs for patients
4. Promote Pharmacy Networks
  - a. Where a patient acquires a drug can impact costs significantly. Policies that restrict pharmacy benefit companies' ability to develop pharmacy networks drive costs up, while well-managed pharmacy networks offer savings to both plan sponsors and enrollees.

## **Support and Equip Clinicians with Tools and Data to Serve Patients Optimally**

Physicians, pharmacists, and other health care providers are both valued employees within pharmacy benefit companies and indispensable external partners as we work together to provide patients and caregivers with care and support. Pharmacy benefit specialists are making it a priority to reduce any existing administrative strains, enabling clinicians to maximize their ability to improve patient care.

1. Support and Partner with Clinicians on Prescription Drug Affordability
  - a. Electronic pharmacy benefit tools like Real Time Benefit Tools (RTBT), electronic prior authorization (ePA), and electronic prescribing (eRx), reduce administrative burden and speed access, enabling clinicians to allocate more time to direct patient care.
2. Encourage Use of Lower Cost Care Options
  - a. Decisions made about sites of care and drug products selected have cost implications. To enable pharmacy benefit companies to more effectively partner with clinicians to help contain drug costs.
3. Accelerate Value-based Care
  - a. Pharmacy benefit companies and manufacturers negotiate value- and outcomes-based contracts for drugs that have proven clinical value for patients. Data collected to inform these contracts continue to provide physicians and payers with insights that enhance clinical decision-making, improve patient health, and increase competition in the marketplace.



## Enhance Patient Outcomes and Improve the Patient Experience

At the core of the pharmacy benefit specialty function lies expertise used to ensure the right patient gets the right drug in a timely manner. Pharmacy benefit companies bring together pharmacists, physicians, and other clinicians who use their specialized knowledge to evaluate prescription drugs and make recommendations to help provide people access to the safest, most effective drug to meet their needs at the best price available to them. Beyond clinical expertise, patients benefit from offerings like home delivery—saving time and money while increasing access and care coordination, and medication management programs designed to provide support, promote health literacy, and improve patient outcomes.

1. Enable Flexibility
  - a. Pharmacy benefit companies serve people along the full spectrum of life circumstances and are best able to meet patients' needs when pharmacy benefit tools and offerings are fully available. To further enhance the ability of pharmacy benefit companies to support better health outcomes, PCMA recommends policymakers take the below actions:
    - i. Encourage transparency that gives patients and providers actionable information.
    - ii. Promote the use of specialty pharmacies
    - iii. Enable home delivery

PCMA looks forward to working with the members The Office of Affordable Healthcare to address high drug prices while protecting the tools that allow PBMs to continue to counteract the power that pharmaceutical manufacturers hold as the sole entities responsible for setting and raising drug prices.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "Sam Hallemeier".

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