"…it's not the state or the pharmacy's fault that the PBMs have such byzantine procedures that affect drug prices." - Chief Justice Roberts during the Rutledge v PCMA argument

Ensuring Patient Choice and Access to Medications

HB4548 – Representative Thaddeus Jones

Background: Pharmacy benefit managers (PBMs) are intermediary firms that facilitate prescription drug benefits claims for health insurers. In recent years, PBMs have leveraged their market power to implement abusive policies and practices that pad PBMs' profits at the direct expense of health plans, pharmacies, and patients. The policies and practices are driving many pharmacies out of business and jeopardizing patient access to essential care and creating pharmacy deserts. These threats to access to care are even more serious as we continue to emerge from the COVID-19 pandemic.

Many PBMS require their beneficiaries to use the pharmacy of the PBM's choice, not the pharmacy the beneficiary feels the most comfortable using or is most convenient for them. Community pharmacies or other pharmacies that are willing to accept the same terms and conditions of other pharmacies in the network are prohibited from participating in the network.

Mandatory use of a PBM affiliate pharmacy is similar to restrictive networks. Even if a PBM does not have a restrictive network, it may still require patients to fill certain prescriptions at their own retail, mail order, or specialty pharmacy.

Illinois would not be the first state to ensure patient safety, access, and choice by passing HB4548. Many states have instituted similar reforms and have not increased plan sponsor costs or limited patient access. In fact, they have decreased costs and increased access to medications and the patient's pharmacist. **Recently, the FTC, who is studying the PBM industry and impact on patients, has pulled back their prior PBM-Related advocacy statements and reports that no longer reflect current market realities.**

HB4548 will help correct this imbalance of power and incorporate patient access reforms.

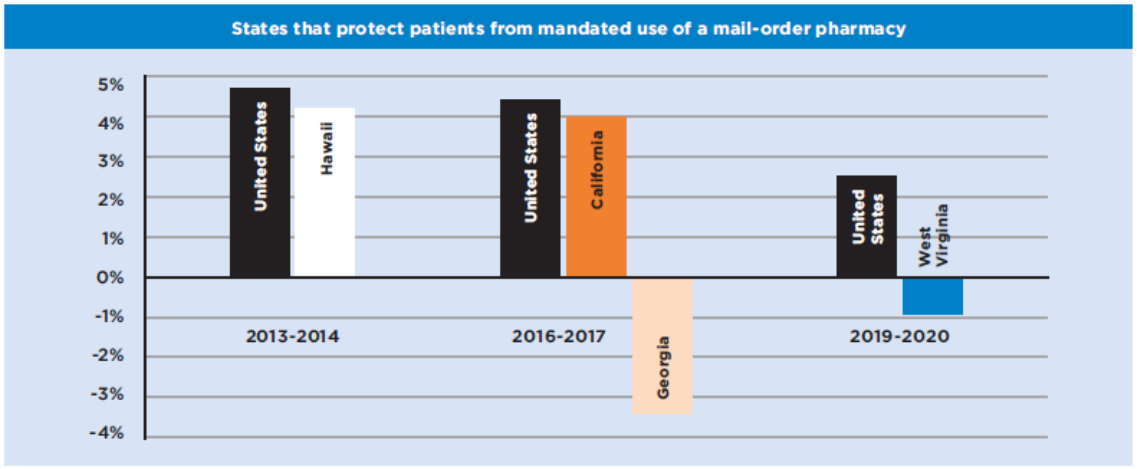
- **Assuring Patient Choice** by prohibiting PBMs from directly or indirectly forcing patients towards their own mail order pharmacies.
- **Patient Steering Protection** by prohibiting ***PBMs that <u>Own</u> Pharmacies*** from forcing and restricting patient access from the pharmacy of the patient's choice and ending conflicts of interest that solely benefit the PBM.
- **Anti-Mandatory Mail Order Protections** ensuring patient access to medications by prohibiting medications being restricted to only mail order "specialty" pharmacies and allowing qualifying pharmacies to provide access to these most needed medications.
- **100% of Rebates goes back to plan sponsor, employer, or consumer** instead of the current business practices which enrich PBMs revenue streams and manipulating plan sponsor and employers into false information on health care and medication costs.
- **Protecting our communities from becoming a Pharmacy Desert** by providing a base tenet that pharmacies are reimbursed at a level of sustainability owed to any business in commerce. Currently, PBMs cruelly force pharmacies to take below fair market value payment arrangements that only benefit the PBMs bottom-line and do not pass savings to the plan sponsor or employers-based plans. In fact, PBMs manipulate monies to themselves and will shift increased costs to the plan sponsors instead of providing the savings to plan sponsors and employers as to their fiduciary responsibility.
- **Ensures Accountability and Oversight** by providing data and information to the Department of Insurance to open transparency on how patient, plan sponsor, and taxpayers monies are distributed through the claim process.

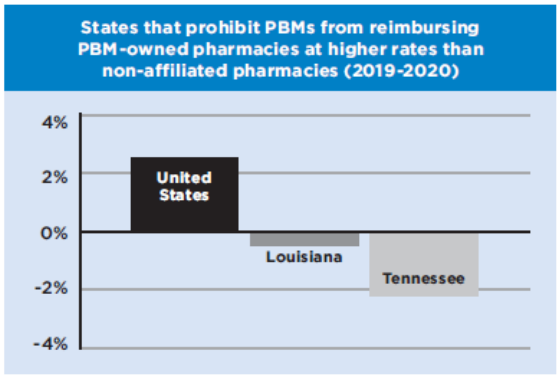
ILPhA The Voice for Pharmacy in Illinois℠

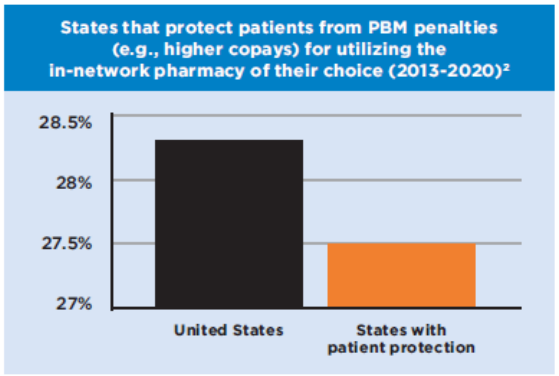
Vote <u>Yes</u> for HB4548!

ICHP

Compare the change in premiums when states passed PBM reform legislation to the national average.[1]







Pharmacy deserts in Chicago could make it tough for many to get COVID-19 vaccine

Aetna drops Walgreens from its Medicaid plan, making it harder for low-income Chicagoans to get their prescriptions during the pandemic

Press Releases

September 30, 2021

ATTORNEY GENERAL RAOUL ANNOUNCES $56 MILLION SETTLEMENT WITH PHARMACY BENEFIT MANAGER

Settlement Resolves Raoul's Investigation Into Centene Corp. Allegedly Submitting Inaccurate Reimbursement Requests

Chicago — Attorney General Kwame Raoul today announced a more than $56 million settlement with the largest Medicaid managed care organization in the United States. The settlement resolves an investigation the Attorney General's office conducted into whether, as a pharmacy benefit manager for the state of Illinois, Centene Corp. (Centene) entities submitted inaccurate billing requests to the state.

"Pharmacy benefit managers are part of a larger issue, which is the accessibility and affordability of prescription drugs," Raoul said. "No one should have to choose between paying for basic necessities or costly but essential medications. My office is continuing to investigate pharmacy benefit managers operating in Illinois because I am committed to stopping unfair and unlawful conduct by PBMs and drug companies."

FTC Launches Inquiry Into Prescription Drug Middlemen Industry

Agency to Scrutinize the Impact of Vertically Integrated Pharmacy Benefit Managers on the Access and Affordability of Medicine

June 7, 2022

Tags: Competition | Office of Policy Planning | Nonmerger | generic drugs | Pharmacy Benefits Managers (PBM) | Health Care | Drug Stores and Pharmacies | Prescription Drugs

The Federal Trade Commission announced today that it will launch an inquiry into the prescription drug middleman industry, requiring the six largest pharmacy benefit managers to provide information and records regarding their business practices. The agency's inquiry will scrutinize the impact of vertically integrated pharmacy benefit managers on the access and affordability of prescription drugs. As part of this inquiry, the FTC will send compulsory orders to CVS Caremark; Express Scripts, Inc.; OptumRx, Inc.; Humana Inc.; Prime Therapeutics LLC; and MedImpact Healthcare Systems, Inc.

The Lack of Neighborhood Pharmacies is Crippling Our Community.

yahoo!finance

Advocates, Clinicians Urge CVS Caremark Reverse Dangerous Formulary Change

December 16, 2021 · 2 min read

Advertisement

Effective January 1, national pharmacy benefit manger would eliminate coverage for medications that prevent stroke and cardiovascular events

WASHINGTON, Dec. 16, 2021 /PRNewswire/ -- The nonprofit

City of Rockford Vows to Fight on After Bankruptcy Court Stays Litigation Against Express Scripts

December 01, 2020 03:42 PM Eastern Standard Time

ROCKFORD, Ill.--(BUSINESS WIRE)--On November 23, the Delaware Federal Court handling the Mallinckrodt bankruptcy issued a sweeping injunction, putting a stay on Rockford's lawsuit against Express Scripts for its role in an unlawful pricing scheme.

"It is a travesty of the justice system that a bad drug company, like Mallinckrodt, could run to bankruptcy court for protection to avoid having to face the patients and payors it has defrauded for years,"- Don Haviland,

In 2015, two children of employees of the City of Rockford were diagnosed with rare infant epilepsy disorders. The most effective treatment of this life endangering condition has been the drug H.P. Acthar Gel, which cost just $40 a vial in 2001. By 2015, Mallinckrodt had conspired with the pharmacy benefit manager Express Scripts to raise the price to more than $34,000 per vial. Mallinckrodt now charges more than $46,000 per vial, an increase of more than