



February 10, 2017

Members of the Senate Public Health and Welfare Committee  
Committee on Public Health and Welfare  
Legislative Administrative Services  
300 SW 10<sup>th</sup> Ave  
Topeka, KS 66612

**Re: Opposition to Proposed Senate Bill No. 82 – “An act concerning health and healthcare; relating to health insurance; prescription medication’ step therapy protocols,”**

Dear Members of the Senate Public Health and Welfare Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), I am writing to you regarding Proposed Senate Bill No. 82. PCMA is the national 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, state and federal employee-benefit plans, and Medicare.

The process of step therapy, in situations where it is used, ensures that prescribers consider medically appropriate available therapeutic alternatives before settling on a specific course of therapy. Step therapy can improve quality of care for both patients with multiple medications and the elderly.

Step therapy requires an enrollee to try a medically appropriate first-line drug, typically a generic or lower cost-cost branded drug alternative to the branded product, when a new therapy is initiated. The prescriber is asked to consider ordering a therapeutic alternative to the brand-name medication or therapy. If that medically appropriate alternative was tried earlier and the patient did not achieve optimal outcome, the branded product is typically approved and dispensed.

In addition, SB 82 is unnecessary legislation because all PBMs have processes in place for physicians to request and receive medical exceptions when there is a clinically valid reason for prescribing a specific drug. Pharmacy and Therapeutic committees, comprised of experts that include physicians and pharmacists, develop evidence-based guidelines used in drug management programs at the request of plan sponsors, such as step therapy, and ensure cost controls do not impair the quality of clinical care. Many drugs have harmful side effects or interact with other medications; step therapy encourages trying safer, alternative therapies first.

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.*” The FTC also found that “prior authorization often involves a clinical justification for the use of drugs that are prone to misuse or are especially costly.”<sup>1</sup>

<sup>1</sup> Federal Trade Commission, “Pharmacy Benefit Managers: Ownership of Mail-Order Pharmacies,” August 2005, available at <http://ftc.gov/reports/index.htm#2005>. [Emphasis added].

Senate Public Health and Welfare

Date 2.13.17

Attachment 24.1



Step therapy is a drug management tool ensures a clinically appropriate treatment at the lowest possible cost is available for the patient. For these reasons, PCMA asks you to not pass Proposed Bill No. 82.

Please let us know if we can provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Kipper".

Scott Kipper  
Vice President – State Affairs  
Pharmaceutical Care Management Association