The Honorable Vicki Schmidt
Members of the Senate Committee on Public Health and Welfare
Kansas State Capitol
300 SW 10th Street
Topeka, KS 66612-1504

Re: Opposition to SB304 – An Act relating to health and health care; relating to health insurance; prescription medication; step therapy protocols.

Dear Chairman Schmidt and Members of the Senate Committee on Public Health and Welfare:

Thank you for allowing the Pharmaceutical Care Management Association (PCMA) to submit comments regarding SB304. **PCMA opposes limitations and process override requirements in the use of step therapy. These limitations would erode plan formulary and drug management tools and interfere with the meaningful review of medical necessity that protects both the patient and the plan sponsor.** Health plans and pharmacy benefit managers frequently implement a variety of guidelines & programs that are designed to ensure that patients receive clinically appropriate and cost effective therapies. Sometimes, this can involve programs that encourage the use of a generic drug or lower-cost brand-name alternative drug before higher cost non-preferred drugs are covered. Without these programs in place**, the cost of the benefit will increase with no corresponding increase in quality.**

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.

Pharmacy & Therapeutics Committees, made up of independent outside clinical and academic physicians, pharmacists and other medical professionals, representing a broad range of medical specialties, develop evidence-based guidelines used in drug management programs such as step therapy, and assure that these types of programs do not impair the quality of clinical care.
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Kansas law already requires health plans to maintain both internal and external processes in place for patients and prescribers to appeal utilization management decisions. (KRS §40-22a01 *et seq.* **The requirements in SB304 would restrict the plan's ability to effectively use step therapy programs that help lower prescription drug costs.** The broad language used throughout the bill would further the brand drug manufacturers goal -- to get their drug dispensed to the patient regardless of cost considerations and other therapeutically equivalent prescription drugs in the marketplace.

For example, Section 1(c) of the bill sets the parameters for a step therapy exception, but these parameters are so broad that the utilization tool would no longer be effective in controlling costs. For example, this section mandates an override of the step therapy protocols as long as the prescriber claims the patient is stable on the drug. If a patient gets a lot of samples of a brand drug from the prescriber and takes them for a few weeks, then the prescriber could say that the patient is "stable" and the protocols in place for that drug would have to be overridden. **This would impede a health plan's or PBM's ability to strike a balance between making sure that medications are clinically appropriate while also ensuring that costs are contained.**

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According to the Federal Trade Commission, **"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."** We need to ensure that any legislation considered keeps patient safety and cost in mind. PCMA believes that SB 304 does not strike that balance and therefore opposes the legislation.

Thank you for your consideration.

Sincerely,

Melodie Shrader
Senior Director – State Affairs

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