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January 14, 2020

Dear Honorable Chair Rep. Lipps, Vice-Chair Manning and House Health Committee Members:

Re: Support Increasing PBM Transparency – HB 396 (Sec. 3959.31)

The Association of Women in Rheumatology (AWIR) promotes the science and practice of Rheumatology, fosters the advancement and education of women in rheumatology, and advocates for access to the highest quality health care and management of patients with Rheumatic diseases. While there are no cures for Rheumatic diseases, medical research breakthroughs have led to treatments and therapies that can dramatically improve the quality of life for those living with rheumatic diseases.

AWIR advocates for pharmacy benefit manager (PBM) reforms at both the state and federal level; and has a Local Chapter in Ohio comprised of providers of rheumatology from across the state.

As your committee is well aware, pharmacy benefit managers (PBMs) negotiate rebates with manufacturers and those negotiations determine a drug's placement on the PBM's tiered formulary and have been operating largely under the public's radar for too long. PBMs are pocketing profits at the expense of the state's most venerable patients. Therefore, we strongly encourage the Committee to enact policy to shine a much-needed light on PBMs and the rebate system.

Language found in HB 396 (Sec. 3959.31) sets forth requirements for all PBMs to report aggregate data on a quarterly basis to the DOI on the amount of rebates received by the PBM from the manufacturer, the amount of rebates distributed to the health plan, and the amount of rebates passed on to the beneficiaries of each health plan at the point of sale.

The rebate system was intended to generate cost-savings, but lack of transparency laws have enabled PBMs to divert rebates and discounts towards their bottom line rather than defraying costs for plans and patients.

AWIR implores you to reform the current rebate system to improve patient access to treatments by supporting provisions within (Sec. 3959.31) of HB 396. We thank you in advance for your time and consideration of our request. Should you have any questions, please direct them to Heather.Kazmark@naylor.com or (847) 264-5930.

Sincerely,



Grace C. Wright, MD
President, AWIR