



PCMA 2021-22 State Budget Testimony before the Joint Legislative Hearing on Senate Finance and Assembly Ways & Means Committees

February 25th, 2021

Good morning Chairwoman Krueger, Chairwoman Weinstein, Health Committee Chairs Rivera and Gottfried, and Committee Members. I am Lauren Rowley, the Senior Vice President of State Affairs for the Pharmaceutical Care Management Association (PCMA) of New York. PCMA is the national trade association representing America's pharmacy benefit managers (PBMs).

PBMs administer prescription drug plans for more than 266 million insured Americans. In NY, we administer prescription drug plans not just on behalf of health plans, but for hundreds of self-funded unions, school boards, municipalities, and employers across this State. These are entities in your communities, with limited budgets, who depend on PBMs to manage their drug benefits and their cost. Our member's ability to perform PBM services effectively have real life implications for them, their members, and their families.

PBMs are on the frontlines working to maintain access and affordability. PBMs help reduce the cost of drugs by encouraging the use of generics and affordable brand medications; reducing waste and increasing medication adherence; negotiating rebates and discounts; and, managing high-cost specialty medications. PBM tools like formulary management, and policies that promote lower cost therapies over more expensive ones are relied upon by employers and millions of New Yorkers to mitigate the high cost of prescription drugs.

Specialty pharmacy accreditation is an industry standard for ensuring safe and quality dispensing of the specialty medications and biologics. PBMs play no role in the accreditation process. But it's critical to understand that all payers— from the State's NYSHIP Plan, to school districts and unions – require and expect the pharmacies in their networks that are dispensing high cost specialty drugs and biologics, to meet the highest standards of quality and clinical expertise, to protect the safety of their members. This makes accreditation essential.

The reality is that changes that impact the ability of a PBM to safely and effectively manage prescription drugs affect many New York consumers.

Budget 2021-22

PBM Licensure, Regulation, and the Need for Transparency of the Entire Drug Chain

The Governor has reintroduced his licensure and regulation proposal that we have opposed in previous years. While we continue to have serious concerns with this proposal, as a general matter, PCMA does not oppose licensure, regulation, and transparency.. We are not the reason drugs are so expensive—that starts and stops with the drug maker’s themselves.

PCMA believes there should be transparency of all actors in the drug chain – pharmaceutical manufacturers, wholesalers, pharmacy services administrative organizations (PSAO) and PBMs. Additionally; we believe that much of the legislature’s rightful focus on consumers and drug prices has been misdirected by special interest groups acting in their own self-interest. For example, the prevailing narrative being told is that PBMs are putting Independent Pharmacists out of business in NY, when objective evidence shows this is not true. Independent pharmacies make up 58% of the total number of pharmacies in New York State. In fact, according to independent reporting from Quest Analytics’ analysis of NCPDP data, the number of independent pharmacies in NY actually increased by 28% between 2010 and 2019.

Put simply, the State should not be relying on stories and anecdotes to inform health care policy. There should be transparency and accountability from all entities in the drug supply chain so decisions are made based on objective data.

I look forward to discussing these issues with you. Thank you.