

CNHI NEWS

Legislative battle shaping up over Oklahoma pharmacy access

By Janelle Stecklein

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OKLAHOMA CITY — A bill working its way through the Legislature will significantly increase prescription drug costs, said a major health care company that works with hundreds of Oklahoma pharmacies, but others disagree, saying the measure would lead to lower costs and easier access.

Leanne Gassaway, CVS Health vice president of state government affairs, said Senate Bill 821 would not allow her company to offer any kind of lower cost options for enrollees using a mail-order pharmacy. Instead, the option would have to be offered on the exact same terms and conditions as filling that drug at retail pharmacy.

She said an analysis of the company's pharmacy benefit manager clients found that if the prescription mail-order benefit were eliminated, members would see their costs jump 18%; she also said employers should expect an increased cost of more than 11%.

It would also impact specialty medications by reducing a quality oversight for patient safety and raising the cost of the drugs by making them available across a broad swath of pharmacies instead of centralizing those and providing high-value opportunities, she said.

The legislative measure, which has garnered bipartisan support, seeks to regulate pharmacy benefit manager programs, including CVS Caremark, Gassaway said. CVS Health not only operates pharmacies, but also serves as a manager that administers pharmacy benefits on behalf of employers, unions, the state of Oklahoma and health plan clients under Aetna.

They all face higher premiums and higher drug costs as a result of the bill, Gassaway said. CVS Health has 905 pharmacies in its network in Oklahoma.

"What benefit does this bring to a patient if we're raising their costs, we are reducing the oversight and particularly, we are opening up opportunity for patient safety occurrences to happen?" Gassaway said.

Still, Oklahoma's independent pharmacy industry continues to exert "considerable pressure" on the legislative process by promoting the idea that they're underfunded or not being reimbursed at a reasonable and fair market value, Gassaway said.

Pharmacy benefit managers, better known as PBMs, serve as the "middleman in the drug world," and are supposed to negotiate the prices between the insurance company, the drug manufacturer and the pharmacy, said state Sen. Greg McCortney, R-Ada, who authored the measure.

He said they started off in the 1980s with the intention of lowering prescription drug costs, but now PBMs have become the biggest, most profitable — and least transparent — companies in the entire

health care system. They've refused to share data about what they pay for drugs or what profits they're making from them.

"Nobody knows exactly how they're making their money because nobody knows anything about what they do," he said. "There's no transparency at all."

McCortney said the PBMs need to be significantly reined in, and said his measure seeks to level the playing field for rural pharmacies who are struggling to compete.

He said his bill would ensure that Oklahomans could shop at a local pharmacy if that location is willing to accept the same drug price as a PBM-run pharmacy.

"This just requires that those local pharmacies be given the opportunity to be in network at the same rates as the other pharmacies," he said. "It doesn't guarantee that the independent pharmacies are going to accept those contracts, or that they can survive by the same terms that a larger pharmacy can, but they need to have the option instead of just being shut out."

He said seven independent pharmacies in the state have closed in the last six months because of the pricing practices of the PBMs.

"In some of those instances, but not all, it does leave a town with no pharmacy," McCortney said.

Debra Billingsley, executive director of the Oklahoma Pharmacists Association, said there are about 415 independent pharmacies in Oklahoma, yet some Oklahomans currently have to drive 40 miles to reach an in-network pharmacy, bypassing 10 pharmacies on their way.

She said CVS Health is among those that would have the most to lose from the legislative measure because it would allow consumers to choose which pharmacy they want instead of forcing patients to go to places where the company can make more money.

"What it does is it prevents the plan from steering patients to the pharmacies that they own or are vertically integrated with," Billingsley said. "We believe that just increases costs because there is no competition."

Billingsley said she believes patients will ultimately see lower prescription costs because the legislation would increase pricing transparency. Employers would benefit because their employees can choose a pharmacy that best serves them.

Billingsley said the measure doesn't eliminate mail-order benefits, but rather allows a patient to choose where and how they want to fill a prescription.

"It prevents the PBM from steering the patient to the mail order that they own," she said. "They have a personal interest in continuing to hide revenue and costs associated with prescription drug use."

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