



Feb. 21, 2017

Re: Comments in Opposition to SB 526 relating to Step Therapy Protocols

Dear Chair Monnes Anderson and Members of the Senate Health Care Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA) we respectfully oppose SB 526, relating to step therapy protocols. PCMA is the national trade association for America's Pharmacy Benefit Managers (PBMs), which administer prescription drug plans for more than 266 million Americans with health coverage through Fortune 500 companies, health insurers, labor unions, and federal and state-sponsored health programs.

SB 526 proposes a number of limitations and processes that override requirements in the use of step therapy that would erode plan formulary and drug management tools and interfere with meaningful review of medical necessity that protects both the patient and the plan sponsor.

Step therapy is a successful and clinically evidence-based technique used by nearly all Medicare, Medicaid, self-insured companies, and health insurance plans nationally. It is used by plans to manage the utilization of drugs that are very high in cost. Pharmacy benefit programs frequently implement a variety of guidelines and programs that are designed to ensure that patients receive clinically appropriate and cost effective therapies. Sometimes, this can involve programs that promote a generic drug or lower-cost brand-name alternative drug before higher cost non-preferred drugs are covered. Within these programs, there are generally exceptions processes in place for those patients that require them.

Step therapy programs rely on Pharmacy & Therapeutics Committees (P&T), staffed by independent doctors, pharmacists, and academics who specialize in specific fields of medicine to review and approve evidence-based guidelines that are used in drug management programs. These guidelines are based on the latest clinical literature, standards of practice, expert consultation, and outcomes data. Without step therapy programs in place, the cost of the pharmacy benefit will increase with no corresponding increase in quality.

Thank you for the opportunity to submit our concerns about SB 526. If you have any questions, please don't hesitate to call me at 202-756-5743 or our Oregon counsel, Kelsey Wilson, at 503-351-6699. Thank you.

Sincerely,

A handwritten signature in black ink that reads "April C. Alexander".

April C. Alexander
Senior Director, State Affairs