



February 8, 2018

Representative Mitch Greenlick  
Chair, Committee on Health Care  
House of Representatives  
Oregon State Legislature  
900 Court Street, NE  
Salem, OR 97301

**Re: PCMA Oppose HB 4103 (Mail Service Pharmacy, Credentialing/Accreditation)**

Dear Chair Greenlick and Members of the House Health Care Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), we respectfully oppose HB 4103, which would limit the use of mail service pharmacies and would prohibit requiring pharmacies to undergo credentialing or be accredited. PCMA respectfully requests that the bill not advance out of committee.

PCMA is the national trade association for Pharmacy Benefit Managers (PBMs), which administer prescription drug plans for more than 266 million Americans with health insurance coverage through large and small employers, health insurers, labor unions, and federal and state sponsored programs. Nationally, PBMs are projected to save health plan sponsors and consumers \$654 billion—up to 30 percent—on drug benefit costs over the next ten years.<sup>1</sup>

One of the most common and effective means of helping employers and other health plan sponsors save money and provide high-quality care is by providing the option to use mail service pharmacies to dispense prescription drugs. Patients typically use mail service pharmacies to obtain prescription drugs for chronic conditions such as high blood pressure or cholesterol, and not for drugs that treat acute conditions.

Mail service pharmacy has been found to expand the use of more affordable generic drugs, improve patient safety by utilizing dispensing tools twenty times more accurate than human dispensing, and enhance patient adherence to prescription regimes, including 24/7 access to pharmacist counseling.

In addition to these patient care benefits, home delivery of prescription drugs will save consumers, employers, and other payers \$59.6 billion over 10 years,<sup>2</sup> and the federal government found that costs at mail service pharmacies were 16 percent less than traditional brick-and-mortar drugstores.<sup>3</sup>

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<sup>1</sup> Visante, *Pharmacy Benefit Managers (PBMs): Generating Savings for Plan Sponsors and Consumers*, (February 2016), available at: <https://www.pcmanet.org/wp-content/uploads/2016/08/visante-pbm-savings-feb-2016.pdf>.

<sup>2</sup> Visante, prepared for PCMA (September 2014).

<sup>3</sup> Centers for Medicare and Medicaid Services, *Part D Claims Analysis, Negotiated Pricing Between General Mail Order and Retail Pharmacies* (December 2013).



HB 4103 would effectively nullify these savings by prohibiting incentives for patients to use mail service pharmacies. While this may financially benefit an individual retail pharmacy, it does so on the backs of employers, health care payers and consumers. Payers have chosen to use mail service pharmacies as a tool to help manage the ever-increasing cost of prescription medications. These savings are often passed on by employers and health plans to employees in the form of lower health care premiums and cost sharing.

HB 4103 also prohibits PBMs from requiring credentialing or accreditation standards for pharmacies beyond what is required by the State of Oregon for basic pharmacy licensing. PCMA is concerned because credentialing and accreditation are important processes based on the principle of ensuring that pharmacies are providing high-quality care tailored to patients' individual needs.

Credentialing is the process health plans and other payers use to validate and approve facilities and practitioners for inclusion their networks as providers of healthcare services. The credentialing process is important to ensure network adequacy and that the pharmacy is operating safely. The credentialing process can include a review of documents providing evidence of required state and/or federal licenses and registrations, education, experience, adequate insurance coverage, and other qualifications. The credentialing process is also used to obtain information about the pharmacy's operations, including languages spoken, hours of operation, and services and programs provided to the pharmacy's patients.

Accreditation goes beyond credentialing and involves an independent third party's evaluation of a provider's quality of services and care against a pre-determined set of consensus-based standards, as well as the provider's ability to meet applicable regulatory requirements. Accreditation often involves on-site visits and extensive document review to assess a pharmacy's systems, processes and performance in delivering positive patient outcomes. There can also be a review of the pharmacy's use of evidence-based practices and clinical decision support programs, patient counseling and benefits coordination, and many other clinical and patient care factors.

Credentialing and accreditation are especially important for specialty pharmacies because they manage drug regimens for patients with complex, chronic, or rare medical conditions, such as multiple sclerosis, hepatitis C, cystic fibrosis, and hemophilia. These patients often need 24-hour access to health professionals specially trained in the disease treated by the drug, the drug's side effects, and drug interactions. It is important that health plans and PBMs are able to ensure that pharmacies in their networks are equipped to provide the types of specialized services that patients need. Though HB 4103 allows for the denial of reimbursement if the pharmacy doesn't have adequate storage, consultation services or trained personnel, a health plan cannot properly determine the adequacy and quality of these services without a credentialing or accreditation process.



For these reasons, we respectfully request that HB 4103 not be advanced out of committee.  
Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "April C. Alexander". The signature is fluid and cursive, with a long horizontal stroke at the end.

April C. Alexander  
Assistant Vice President, State Affairs