

The Honorable John J. Lawn, Jr.  
24 Beacon Street, Room 236  
Boston, MA 02133

The Honorable Cindy F. Friedman  
24 Beacon Street, Room 313  
Boston, MA 02133

The Honorable Frank Moran  
24 Beacon Street, Room 481  
Boston, MA 02133

The Honorable John J. Cronin  
24 Beacon Street, Room 218  
Boston, MA 02133

The Honorable F. Jay Barrows  
24 Beacon Street, Room 128  
Boston, MA 02133

The Honorable Bruce E. Tarr  
24 Beacon Street, Room 308  
Boston, MA 02133

Members of the Conference Committee on House Bill 4910 (H.4910) and Senate Bill 2520 (S.2520):

On behalf of the undersigned organizations, we applaud the House and Senate for taking action to rein in abusive pharmacy benefit manager (PBM) practices and deliver meaningful relief for Massachusetts patients through provisions included in bills recently approved by the House (H.4910) and Senate (S.2520).

As the conference committee works to reconcile legislation over the coming days, we urge the committee to include several key PBM-reform provisions from one or both bills that would enhance transparency and address the ways PBMs profit at the expense of patients, pharmacies, employee health plans, and taxpayers:

- **Share Savings with Patients.** Include language that requires insurance companies and PBMs to share at least 80% of negotiated savings on the cost of prescription medicines with patients at the pharmacy counter (H.4910). Insurance companies and PBMs obtain savings that can reduce the cost of some brand medicines by 50% or more, but they do not have to share these savings with patients at the pharmacy. Requiring PBMs and insurers to share their negotiated savings directly with patients at the pharmacy could improve the lives of Massachusetts residents who may struggle to cover out-of-pocket costs for medications and treatments.
- **Protect Patient Assistance.** Include language that strengthens protections for third party cost-sharing assistance, including copay coupons (H.4910). Over the past several years, insurers and PBMs have begun implementing tactics such as accumulator adjustment programs and copay maximizers to prevent copay assistance from counting toward a patient's deductible or out-of-pocket maximum, shifting more costs onto patients. Some are even using charitable programs meant for the uninsured or underinsured rather than covering medication for patients with disabilities or living with chronic conditions. Strengthening protections for third party cost-sharing assistance will decrease patient out-of-pocket costs and reduce the risk of patients going without needed medicines.
- **PBM Duty of Care.** Include language requiring PBMs to act in good faith and deal fairly with all parties, including patients and pharmacies, and to perform their services with care, skill, prudence, diligence, and professionalism (H.4910). Providing this clarity in Massachusetts law would be an important step to ensure that PBMs act in the best interests of patients, not their own bottom lines.
- **PBM Licensure and Regulation.** Include provisions that would prohibit the PBM practice of spread pricing (H.4910), which enables PBMs to profit from the difference between what they

charge to insurers and reimburse pharmacies, and require PBMs to be licensed and overseen by the Division of Insurance (H.4910 and S.2520). For too long, PBMs have profited off of a business model rife with conflict and engaged in tactics that can drive up costs and make it harder for patients to get their medicines. Since just three PBMs control nearly 80 percent of the PBM market, it is now more important than ever to enact these provisions to enhance transparency and accountability for PBMs operating in Massachusetts.

Thank you for considering these important provisions and for your leadership and efforts to deliver high-quality health care to Massachusetts residents. We urge you to stand with patients and include these critical reforms in a conference committee report reconciling H.4910 and S.2520.

Sincerely,

Asthma and Allergy Foundation of America, New England (AAFA NE)

Brain Aneurysm Foundation

Diabetes Patient Advocacy Coalition

Envisioning Access

Epilepsy Foundation of New England

Global Healthy Living Foundation

HeartBrothers Foundation

Lupus Foundation New England

Massachusetts Independent Pharmacy Association

Massachusetts Pain Initiative

Massachusetts Society of Clinical Oncologists

National Association of Chain Drug Stores

New England hemophilia Association

New England Rural Health Association

Patients Not PBMs Coalition

Patient Pocket Protector Coalition

PILMA

Rare New England

U.S. Pain Foundation