

February 20, 2023

Chairman William Sutton
Members of the House Insurance Committee
State Capitol
300 Southwest 10th Street
Topeka, KS 66612

Re: PCMA Opposition to House Bill 2283

Dear Chairman Sutton and Members of the Committee:

My name is Jonathan Buxton, Senior Director of State Affairs for the Pharmaceutical Care Management Association (“PCMA”). PCMA is the national association representing the pharmacy care specialists that administer the pharmacy benefits of over 275 million Americans. Our member companies leverage their pharmacy expertise to provide safe and affordable coverage to employers, labor unions, retirees, and other government plans, including yours. Pharmacy Benefit Managers (PBMs) are partners with the medical community to make sure we are getting the patient the right drug for the right diagnosis at the right time.

A little background on prior authorization might shed some light on why it is such a valuable tool used by plans of all shapes and sizes. First, the primary goal of prior authorization is to ensure the appropriateness and suitability of the prescribed medication for the specific patient while also working to control costs. Health plans and PBMs rely on independent Pharmacy & Therapeutics Committees, comprised of experts that include physicians, pharmacists, and other medical professionals to develop evidence-based guidelines used in drug management programs—including prior authorization—and to ensure that these management controls do not impair the quality of clinical care. Prior authorization also protects plan sponsors from waste, fraud, and abuse, which benefits all participants in the healthcare system. Efforts to eliminate prior authorization simply remove access to a team of experts that review and rely on the latest medical evidence to improve patient care and expose every Kansan to higher medical costs.

House Bill 2283 is based on the misconception that prior authorization is about restricting care solely to reduce costs, and nothing could be further from the truth. Prior authorization is a tool health plans require to ensure that patients receive the proper care using the latest in evidence-based medical knowledge. Research estimates that medical knowledge is now doubling every 73 days.¹ No provider taking care of patients on a daily basis can keep current on those trends and prior authorization helps bridge that knowledge gap. Again, prior authorization is about a partnership in successful patient outcomes.

In its current form, House Bill 2283 fails to recognize the shared costs and responsibilities in today’s modern medical system. The majority of Kansans receive their healthcare coverage through employers, unions, or government sponsored plans. Those plans require everyone to pay a portion for the care they receive and a portion of the care their colleagues/neighbors receive. Health insurance creates a pool and spreads the risks and costs. Because everyone is pitching in to take care of the sickest among us, health plans use tools to make sure the patients are receiving the most cost-effective treatments. Much like everyone of us addresses this issue with a sick kid, we try the least invasive treatment (cold rags, chicken noodle soup, etc.) before we move up to requesting a chest x-ray for a cough.

¹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3116346/>

Prior authorization is a tool we use to the same effect. Asking providers to consider effective, lower cost alternatives is about maintaining the partnership between providers, patients, and plan sponsors. We all recognize that very few patients can afford to pay the outrageous prices charged by hospital systems and drug manufacturers, and so PBMs work with health plans to broker the best deal possible to reduce the costs of those vital prescription drugs and one of the tools we use is prior authorization.

In addition to assisting providers with the rapid growth of medical knowledge and assisting plans with managing costs, PBMs use prior authorization to protect patients from adverse reactions with other drugs of which providers may not be aware. Prior authorization protects patients by allowing health plans and PBMs to monitor drugs with a high risk of abuse, misuse or overdose. Again, prior authorization is about partnering with providers to make sure they have all the necessary information to make the best decision in the treatment of patients.

In light of the negative impact HB 2283 would have on the safety of Kansas patients and the increased costs associated with severing this partnership of experts, PCMA must oppose HB 2283. We appreciate the opportunity to testify on how important it is to preserve the partnership of prior authorization and will make ourselves available for any questions.

Thank you,
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