

February 17, 2023

Rep. William Sutton, Chair
House Committee on Insurance
Kansas House of Representatives

SUBMITTED VIA EMAIL: bill.sutton@house.ks.gov

Re: House Bill 2283

Dear Chair Sutton and members of the Committee,

Thank you for the opportunity to comment on HB 2283. I represent Prime Therapeutics (Prime), a pharmacy benefit manager (PBM) based in Minnesota and owned by 19 not-for-profit Blue Cross and Blue Shield insurers. Prior authorization is one of the primary tools we use to drive patients to the safest, most efficacious, and affordable drug therapy for them. This bill plainly eliminates that tool and will thus increase the cost of prescription drugs and health care overall for Kansans. Therefore, we oppose HB 2283.

Prime helps people get the medicine they need to feel better and live well by managing pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. We manage pharmacy claims for more than 33 million people nationally and offers clinical services for people with complex medical conditions. Our business model relies on transparency and advocating for simpler, lowest-net-cost pricing for drugs. To control costs, Prime's clients rely on our clinical expertise and drug management tools (e.g., prior authorization) to help patients and their physicians find the right drug therapy for their condition at the lowest cost.

HB 2283 includes among the policies it would enact a policy popularly known as “gold carding” – in which a health maintenance organization must grant an ongoing exemption from prior authorization to a physician that has demonstrated that it follows FDA labeling and generally accepted medical standards of care at least 90% of the time for select services. Gold carding policies remove an important check and balance in health care. Importantly, in the age of technology, the expansion of medical knowledge has vastly accelerated¹. While the doubling time of such information was 50 years in 1950, it has shortened to 73 days today¹. Prior authorization policies account for information changes and are one tool used to ensure general consistency to the application of this knowledge for patients.

While we are certain that the medical practitioners who advocate for such policies are doing so with the best interests of their patients in mind, even the best-intentioned physicians may struggle with the demands put upon modern day physicians. A 2022 study published in the *Journal of General Internal Medicine*² concluded that time is a limitation to providing high-

quality, guideline-based care. In fact, it concluded that based on the average number of patients that a primary care physician sees in a day, a doctor would require 26.7 hours a day. And while proponents of gold carding may say that cutting prior authorization out would allow them more time to provide higher quality care to their patients, the same study concludes that only a fraction of those hours total are dedicated to any and all documentation, paperwork, and after visit care (prior authorization only being a subset of those activities).

Aside from the possibility of human error, excessive workload, and an ever-shifting clinical landscape, there is a risk of bad actors taking advantage of gold carding to commit fraud. Recently, Kansas received a settlement of \$77 million³ from pharmacies that the state alleged contributed to, or at least did not do enough to stop, the opioid epidemic. If a pharmacy filling prescriptions that are presented to it is considered to be contributing to an epidemic of drug abuse, how can removing prior authorization of drugs, including controlled substances and those with patient safety concerns, be considered the best path forward for Kansas? And let us not forget about the proliferation of so-called “pill mills” in the United States, where ill-meaning doctors opened facilities with the express purpose of supplying vulnerable patients with opioid drugs. Kansas was not immune from this, with Wichita physician Steven Henson being sentenced to life in federal prison for doing exactly that⁴.

Aside from the obvious patient safety concerns of gold carding, eliminating prior authorization would disable one of the primary tools Prime and other PBMs use to help our health plan clients manage drug costs. Prior authorization is used to drive patients and their prescribers to the use of the lowest cost, most effective medication available for their condition. Moreover, members have access to clear and efficient exceptions processes that allow them the opportunity to stay on specific medications when medically necessary. Losing this important step in the process will undoubtedly raise healthcare costs in Kansas. In consideration of the patient safety, fraud, and cost impacts this would have on Kansas health care, we oppose HB 2283. Thank you for your time and consideration, and we welcome opportunities to further discuss this issue with you.



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¹ *Challenges and Opportunities Facing Medical Education*, Transactions of the American Clinical and Climatological Association, 2011

² *Revisiting the Time Needed to Provide Adult Primary Care*, Journal of General Internal Medicine, July 2022

³ *Kansas to receive at least \$77 million in Walgreens, CVS opioid settlement*, WIBW, December 2022

⁴ *Wichita Doctor Sentenced to Life For Diverting Rx Drugs to the Streets*, United States Attorney’s Office, District of Kansas, March 2019