



April 10, 2018

The Honorable Louis Blessing
Chair, House Government Accountability and Oversight Committee
77 S. High Street, 13th Floor
Columbus, Ohio 43215

Dear Chairman Blessing:

As the President of the Academy of Medicine of Cleveland & Northern Ohio (AMCNO), an organization representing more than 5,000 physicians, residents and medical students in the Northern Ohio region, I am writing to you on behalf of the AMCNO to express our support of HB 479 - important legislation that will address clawbacks taken by pharmacy benefit managers (PBMs). Clawback is a tool PBMs use to overinflate the cost of prescription medications at the point-of-sale transaction. Essentially, a PBM clawback forces some pharmacies to charge customers more than the pharmacy's cash price. The PBM then "claws back" the money the patient was overcharged. PBMs also use contractual gag restrictions to prevent pharmacy employees from discussing all prescription costs with their customers. Clawbacks and gag restrictions have been witnessed in every state and have resulted in more than a dozen lawsuits across the country.

This new bill will improve Ohioans' access to prescription medications by prohibiting a health plan or PBM from directing a pharmacy to charge a patient an amount greater than the pharmacy's cash price or the net reimbursement to the pharmacy. This practice ensures that the patient will pay the lowest possible amount at the pharmacy counter, regardless of any co-pay gimmicks. This legislation will also prohibit a health plan or PBM from forcing a pharmacist to remain silent when it comes to the financial details and options concerning their patients' medications.

Most people believe that their co-pay is their portion of a shared payment with their insurance company for a particular medical or pharmacy service. However, a clawback is when the patient pays for the entire cost of the service and an extra hidden payment to the insurance company's PBM middleman.

This legislation will ensure that patients are getting the best deal possible at the pharmacy counter and that they're not in the dark on PBM drug pricing. A recent analysis by a mid-sized pharmacy chain in Ohio found hundreds of clawbacks in the last three months.

The Voice of Physicians in Northern Ohio

Most clawbacks are relatively small, ranging from a few cents to \$5-\$7 in most cases, but there are many transactions where patients are overcharged by more than \$20. Some of the most egregious clawbacks occur in Medicare Part D, where overinflated co-pays not only pinch patient's wallets, they also place patients into different deductible phases, which has been found to cost taxpayers billions of dollars.

The AMCNO supports this legislation, which we believe could help our patients and bring down the cost of prescription drugs.

Sincerely,

A handwritten signature in black ink that reads "Fred Jorgensen MD". The signature is written in a cursive, slightly slanted style.

Fred M. Jorgensen, M.D.
President, AMCNO

Cc: Members of the House Government Accountability and Oversight Committee