

My name is Aaron Clark and I am the Chief Pharmacy Officer at Equitas Health. Thank you for the opportunity to share Equitas Health's support for House Bill 63.

Equitas Health is a nonprofit, community-based health care organization serving more than 67,000 individuals across Ohio through a diverse set of services, including primary and specialized medical care, behavioral health, dental care, HIV/STI prevention, advocacy, case management and pharmacy. We operate three Federally Qualified Health Look-Alikes Medical Centers and Pharmacies in Columbus and Dayton. Our mission is to be the gateway to good health for those at risk of or affected by HIV/AIDS, for the LGBTQ community, and for those seeking a welcoming health care home.

Equitas Health supports House Bill 63 because it protects the citizens of Ohio from the harmful practices of insurers and pharmacy benefit managers ("PBMs"). Without the protections included in these bills, patients of Equitas Health and other patients throughout Ohio will pay more than they should at the pharmacy.

The bills propose to do a few things. First, they will prohibit "gag clauses" that some PBMs include in their contracts with pharmacies. These gag clauses prohibit pharmacists from disclosing to patients that the patient may be able to get their drugs for a price lower than the price negotiated with the PBM. Second, they will prevent PBMs from "clawing back" funds from pharmacies.

Last year, the Ohio Department of Insurance ("ODI") began to prohibit PBMs and health insurance companies from doing two things:

1. Denying to patients information regarding less expensive ways to purchase prescription drugs, and
2. Requiring cost-sharing in an amount, or directing a pharmacy to collect cost-sharing in an amount, greater than the amount a patient would pay for the prescription drug if the drug were purchased without health insurance coverage.

These protections are incredibly important, and I applaud ODI's leadership on this matter. However, passing House Bill 63 is still necessary in order to ensure that patients can learn about the most cost effective way to get their medications and so that PBMs cannot engage in the harmful "clawback" practice.

Prescription drug overpayments or "clawbacks" occur when a commercially insured patient's co-payment exceeds the total cost of the drug to his or her insurer or PBM and the insurer or PBM keeps the difference. Frequently, the amount that the insurer or PBM reimburses the pharmacy for drugs is less than the amount the PBM keeps. In this scenario both the consumer and the pharmacy are victims of the PBM's practice.

I would like to take a moment to breakdown what we see in the pharmacy around clawbacks.

- A patient brings a prescription to the pharmacy to be processed through his or her insurance
- The pharmacist process the prescription (submits a claim for approval to the PBM) for the contracted price of \$15.
- The PBM pays nothing for the medication, but the patient has a charge for \$50 at checkout.
- The \$50 paid by the patient covers the \$15 for the contracted drug price, leaving the PBM to make a profit of \$35.
- If a PBM makes \$35 off one patient, but has millions of clients, they are potentially making billions of dollars off this system.

I appreciate the opportunity to share with you Equitas Health's support for House Bill 63. Passage of this bill will ensure better protections for Ohioans and stop insurers and PBMs from keeping money that does not belong to them. Thank you.