



December 3, 2018

The Honorable Dave Burke
Chair, Senate Health, Human Services and Medicaid Committee
Senate Building
1 Capitol Square
Columbus, Ohio 43215

Dear Chairman Burke:

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 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.

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, appearing to read "R. Bruce Cameron". The signature is fluid and cursive, with a long horizontal stroke at the end.

R. Bruce Cameron, M.D.
President, AMCNO

Cc: Members of the Senate Health, Human Services and Medicaid Committee



HEALTH, HUMAN SERVICES
AND MEDICAID
COMMITTEE

Witness Form

Today's Date 2/4/18

Name: R. Bruce Cameron MD

Address: 600 Oak Tree Blvd.
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Telephone: 216 - 520 - 1000

Organization Representing: The Academy of Medicine of Cleveland
& Northern Ohio

Testifying on Bill Number: HB 479

Testimony: Verbal Written Both

Testifying As: Proponent Opponent Interested Party

Are you a Registered Lobbyist? Yes No

Special Requests: _____
