

Testimony Supporting House Bill 135
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Chairman Lipps, Vice Chairman Holmes, Ranking Member Russo, members of the committee, my name is Sharon Lamberton, Deputy Vice President of the Pharmaceutical Research and Manufacturers of America (PhRMA), a trade association of more than 33 biopharmaceutical companies dedicated to developing innovative cures and treatments for patients, many of whom live in your districts and throughout the State of Ohio.

As a practicing registered nurse, I am proud to be here today as part of a coalition of over 60 diverse patient groups, provider associations and other health care organizations supporting House Bill 135, bipartisan legislation sponsored by Representatives Susan Manchester and Thomas West. House Bill 135 is about helping patients to continue to receive access to lifesaving medications by simply removing administrative barriers that prevent them from having cost-sharing assistance count toward their ever-escalating out-of-pocket requirements mandated by their insurance coverage. These administrative barriers, better known as “accumulator adjustment programs,” prevent patients from having much-needed assistance count toward their rapidly increasing out-of-pocket requirements.

House Bill 135 is of great importance to patients and simply says that health plans and PBMs cannot discriminate among forms of assistance that help consumers or enrollees meet their co-insurance, deductible, or other cost-sharing requirement. In addition, HB 135 is important to patients in your districts because it will prevent surprise costs for patients with respect to the drugs they are picking up at the pharmacy counter. Many members of this committee are well aware of the issue of surprise billing in other parts of the health care delivery system, as I know Ohio dealt with this important issue last year. Patient groups have told us and will tell this committee about how they have been informed by their insurer “after the fact” that they suddenly owe thousands of dollars to the plan when picking up their medicine. The reason for that? It is simply because they were later informed that, while the insurer accepted the assistance when presented by patients at the pharmacy counter, it did not apply the value of the assistance toward the patient’s mandated co-payment, coinsurance, or deductible requirements. I do not believe anyone would believe that policy is in the best interest of patients.

One important thing to remember is that HB 135 does nothing to limit tools health plans or PBMs can use to encourage their patients to use generic medications. While this important legislation stipulates that a health plan or PBM count all forms of third-party assistance toward a patient’s cost-sharing requirements, that provision will not apply when a prescription drug has a medically appropriate generic equivalent, unless the prescriber determines that the brand drug is medically necessary.

In their sponsor testimony, both Representative Manchester and Representative West touched on the fact that the premise of HB 135 was approved without opposition by the Prescription Drug Transparency Council. You may recall that this Council was created and placed into the final version of House Bill 166,

last session's biennial budget bill in Ohio. The Council had a remarkably diverse membership and had representation from the DeWine Administration, the state Medicaid program, MHAS, unions, statewide business organizations, patient advocacy groups, consumer groups, mayors and others. In one of seven recommendations made to the Governor and General Assembly, the Council made a proposal to "Find Additional Ways to Help the Consumer," in health care, including utilization of specific patient assistance resources and the allowance of those resources to be applied to members' deductibles and out-of-pocket maximums.

Members of the committee, five states -- Virginia, West Virginia, Arizona, Illinois and Georgia -- have already passed this important patient-protection legislation to help patients access their drugs given the ever-increasing out-of-pocket costs mandated by health plans and PBMs, and 16 more states have introduced similar legislation as well. What this entire bill is about is patients; patients or their representatives or providers who will come before this committee or provide written testimony that describes the hardship that these unnecessary accumulator adjustment programs have brought to their lives and continuity of care. PhRMA is immensely proud to be working with over 60 other patient and provider organizations to bring this "common sense" policy solution to Ohio and we deeply appreciate all of the hard work that Representative Manchester and Representative West have put into this legislation.

On behalf of our biopharmaceutical companies and the patients and health care providers with whom we are privileged to work, PhRMA respectfully asks for your support and the passage of House Bill 135.