



February 22, 2021

Chair, Representative Gail Chasey
Vice-Chair, Representative Micaela Lara Cadena
House Judiciary Committee
New Mexico Legislature
290 Old Santa Fe Trail
Santa Fe, NM 87501

Honorable Chair Chasey, Vice-Chair Cadena, and Members of the House Committee,

The New Mexico Society of Clinical Oncology (NMSCO) and the Association for Clinical Oncology (ASCO) are pleased to **support HB 129: Pharmacy Benefit Manager Reporting**, which would substantially enhance oversight of pharmacy benefit manager (PBM) business practices, increase transparency on how the rebates PBMs receive affect formulary design, and ensure that patients benefit from the rebates and co-pay assistance their health plan receives.

NMSCO represents the common interests of oncologists and hematologists treating cancer in New Mexico. We provide educational programs, networking opportunities, and robust advocacy support to help practices stay ahead of the shifting healthcare landscape and meet the challenges that directly impact how they care for their patients. ASCO is a national organization representing physicians who care for people with cancer. With nearly 45,000 members, our core mission is to ensure that cancer patients have meaningful access to high quality cancer care.

NMSCO and ASCO are very concerned about the lack of transparency surrounding PBM utilization management operations, dubious pricing calculations, and their potential impact on patient access to care. As for-profit companies, PBMs obtain price concessions and discounts from pharmaceutical manufacturers in the form of rebate payments for “preferred” formulary status, which results in increased market-share and revenue by encouraging utilization of the included drugs. **Our concerns related to this issue are two-fold:**

- **Basing drug preference on cost-savings due to negotiated rebates, rather than basing formulary design on value can lead to poor patient outcomes and increased costs over the course of cancer treatment.** The practice of negotiating rebates to secure preferred formulary status is particularly problematic in oncology because cancer drug therapies are often highly specialized and not clinically interchangeable. Prescription drugs have different indications, mechanisms of action, and side effects, depending on the diagnosis and unique medical circumstances of each patient. If formularies are not designed in a way that offers a patient the most effective treatment for his or her disease at the most appropriate time, they may experience suboptimal outcomes and health plans could end up spending more on higher cost treatments down the line.
- **Without transparency, there is no evidence that patients’ out of pocket costs are reduced as a result of rebates and price concessions PBMs receive.** Scarce information is available about the size and frequency of rebates PBMs receive from manufacturers, nor is it understood the extent to which patients experience actual benefits of these rebates and discounts. Even with rebates, most cancer treatments are still considered high-cost drugs that remain subject to

specialty benefit tiering policies. Specialty tiering is typically applied to expensive drugs and are generally associated with higher patient out of pocket costs. Since this practice shifts a large portion of the cost of care from the payer to the patient, there is often significant adverse impact on patient finances, which contributes to medical bankruptcies and disproportionately affects low-income populations. Worse, financial difficulties can result in abandonment of treatment and adverse patient outcomes. If a PBM is receiving a rebate that will ultimately lower the cost of a prescription drug, out of pocket policies should be adjusted in a way that allows patients to benefit from these savings.

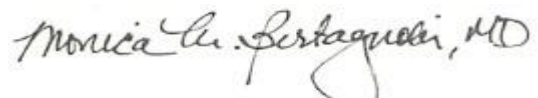
Additionally, **NMSCO and ASCO strongly support the steps that HB 129 takes toward eliminating co-pay accumulator programs in New Mexico.** Copay accumulator programs target specialty drugs for which manufacturers often provide copay assistance. With a co-pay accumulator program in place, a manufacturer's assistance no longer applies toward a patient's co-pay or out of pocket maximum. This means that patients will experience increased out of pocket costs and take longer to reach required deductibles. **By prohibiting these funds from counting toward patient premiums and deductibles, co-pay accumulators negate the intended benefit of patient assistance programs and remove a safety net for patients who need expensive specialty medications but cannot afford them.**

NMSCO and ASCO are encouraged by the progress that HB 129 makes toward improving PBM transparency and protecting New Mexico patients from excessive out of pocket costs. For a more detailed understanding of our policy recommendations on this issue, we invite you to read the [ASCO Position Statement on Pharmacy Benefit Managers](#) and the [ASCO Policy Brief on Co-Pay Accumulators](#) by our affiliate, the American Society of Clinical Oncology. Please contact Allison Rollins at ASCO at allison.rollins@asco.org or Barbara McAneny from NMSCO at mcaneny@nmohc.com if you have any questions or if we can be of assistance.

Sincerely,



Barbara McAneny, MD, FASCO, MACP
President
New Mexico Society of Clinical Oncology



Monica Bertagnolli, MD, FACS, FASCO
Chair of the Board
Association for Clinical Oncology