



February 13, 2024

Chair Clint P. Moses, Vice-Chair Rozar,
& Members of the Health, Aging and Long-Term Care Committee
Room 12 West
State Capitol
PO Box 8953
Madison, WI 53708

RE: 2023 ASSEMBLY BILL 773

Dear Chair Moses, Vice-Chair Rozar, and members of the Health, Aging and Long-Term Care Committee:

Thank you for the opportunity to provide written comment on Assembly Bill 773. In December, we had the privilege of testifying before Chairwoman Felzkowski and members of the Insurance and Small Business Committee on this matter. Unfortunately, due to scheduling we are not able to attend the hearing so we appreciate your acceptance of these written comments.

We appreciate your dedication to the citizens of Wisconsin. As a transparent PBM who returns 100% of manufacturer rebates and fees that we receive directly to our plan sponsors, has never engaged in pharmacy spread, and focuses on health outcomes and affordability, we know the complicated landscape that is health care. We at Navitus have had the privilege of serving Wisconsin for over 20 years. We currently provide pharmacy benefits for nearly 621,000 citizens of Wisconsin, including:

- The Wisconsin Employee Trust Fund
- Universities
- Fully insured health plans
- Exchange plans
- Self-funded plans
- Cities, towns, and school districts

Although many of our comments are in opposition of this bill in its current form, we express our sincere desire to collaborate with the Committee, Legislature, and interested parties, to achieve meaningful improvements and access to quality healthcare in Wisconsin. We are supportive of some of the provisions in this bill, in particular:

- The audit provisions; and,
- The transparency provisions - including payments to consultants or brokers.

Our concerns are focused on cost to individuals paying premiums, employer/plan sponsors, and overall cost to taxpayers. The conservative estimates are more than \$110 million dollars of increased costs to our clients and their members.

Choice of Provider

This provision appears to limit the ability of a plan sponsor - even one that is a health provider themselves - to limit its network or provide incentives to utilize preferred pharmacies, including their own in-facility pharmacies (think hospital plans). A plan sponsor whether they are a state, commercial employer, city or town, hospital, or university (among others) should be allowed the choice and ability to control quality and costs in a constructive manner. Additionally, plan sponsors rather than PBMs choose cost-sharing, network access and co-pays as part of their plan design.

Pharmacy Networks Provision

A requirement for to pay all pharmacies the same rate will increase plan costs. This provision does not take into account the cost differences experienced in rural or underserved areas versus larger chain pharmacy retailers who are likely to experience economies of scale. In essence, plan sponsors could be faced with limiting networks to larger retail chain pharmacies that agree to lower reimbursements and exclude independent pharmacies altogether; since Including them and paying a higher rate would force the employer to pay all pharmacies a higher rate. We suspect this is not the intention of this language. Furthermore, accommodation for additional patient management, enhanced precautions, and delivery of life saving drugs is not taken into account for specialty pharmacies.

Minimum Dispensing Fees

Estimated financial impact of an established minimum dispensing fee is as follows:

- The Wisconsin Employee Trust Fund: between \$18.8 million and \$20.1 million
- Total among all Navitus clients, including cities, towns, and self-funded plans: between \$47.6 million and \$51.4 million.

Formulary

The notice requirement and restriction on changing formulary throughout the year prevents innovation and adaptability to the developing drug market that has been increasing the availability of biosimilar and generic drugs. Limiting formulary updates to renewal imposes significant costs for Wisconsin plan sponsors and more importantly members, who would not be able to take advantage of lower cost biosimilars or generics:

- 1) The estimated cost of this is \$30 million for the entire book of Navitus business in the state due to delayed moves to generic or biosimilars; and,
- 2) Administratively, it forces plans to maintain 14 possible different formularies throughout the year. This could lead to confusion on behalf of pharmacies, members, and cause access issues for patients.

Continuity of Care – Amendment One

We oppose Amendment One. We believe that this will drive plan costs up, will not increase health outcomes, and is preempted by the Employees Retirement Income Security Act as it pertains to self-funded plans. We at Navitus have processes in place to grant medical exceptions to the formulary. This involves reviewing medical information, coordinating with physicians, and evaluating best outcomes for the patient. This process is a best practice that is governed by both the National Committee for Quality Assurance (NCQA) and the Utilization Review Accreditation Committee (URAC). Such a regulation would limit the plan sponsor's ability to take advantage of lower drug cost options after review. We have found that it is both clinically and financially responsible to require a trial of the lower cost agent provided there are no contraindications.

Copay Assistance Aggregator/Optimizer Ban

Copay assistance provided by pharmaceutical manufacturers assists patients in paying high drug costs. However, instead of lowering the costs of these drugs for everyone, manufacturers seek to maintain an overall high drug cost and take advantage of citizens and plan sponsors by crediting the coupons to the overall high deductible or out of pocket maximum. This can often be met with one coupon or treatment. Subsequent treatments would be shouldered by the plan sponsor, taxpayers, and other members the following year as the cost for the plan is significantly increased. It is worth noting that as soon as the out of pocket or deductible is met, the patient no longer qualifies for the coupon and the overall cost of the drug is not lowered. Copay assistance optimizer programs seek to take full advantage of the generous marketing budget allocation for the benefit of both the patient and the employer. The numbers and impact are staggering. Further there is a disparate impact as patients who have significant conditions, need surgeries, or extensive therapy are denied the benefit of the allocation of an expedited deductible or out of pocket maximization. The result of crediting coupons to coinsurance would result in the following increased costs:

Fully Insured Health Plans	\$21,755,015
Public Sector (counties, towns, and school districts)	\$1,971,531
Self-Insured	<u>\$9,765,113</u>
Total Impact	\$33,491,659

During the Senate hearing there seemed to be confusion on what PBMs, plan sponsors and even pharmacists retain as far as these payments. The coupon simply lowers the cost paid by the patient and the plan sponsor or employer. Patients receive this benefit and are simply required to meet their deductible and/or out of pocket costs with payments made by them as any other member of that plan.

Accreditation Requirements

Although we do not support unnecessary accreditation requirements that could be used as a barrier to entry for independent pharmacies, we do believe that meaningful accreditation requirements support high quality of care, particularly for patients with rare and difficult to treat diseases. Specialty pharmacy accreditation ensures a standard of care where enhanced pharmacist support and stricter storage/shipment/administration protocols should apply. We have discussed this with the Pharmacy Society of Wisconsin and are willing to work on amendments that support this goal.

Navitus does have a wholly owned specialty pharmacy with headquarters here in Madison called Lumicera. Similar to the Navitus PBM model, Lumicera is transparent and has operated as a cost-plus specialty pharmacy for nearly 10 years. Lumicera serves approximately 6700 patients in Wisconsin. Although these patients comprise less than 1% of the population, they are among the sickest, often suffering from rare and/or difficult to treat medical conditions. Lumicera provides critical care with compassion and expertise that yield better health outcomes due to higher adherence rates, clinical expertise, and patient copay support resulting in a best-in-class Net Promoter Score of 84. Lumicera also works to decrease costs to plan sponsors through innovative programs, clinical care coordination, the use of data analytics and insights, and our partnership through a cost-plus pricing approach.

Specialty pharmacies are able to provide the enhanced care necessary to save lives because they have the following, which are validated through the accreditation process:

- 24-hour access to pharmacists
- Clinical pharmacists and nursing staff who are trained and certified in care and even in specified diseases (allowing for tailored and compassionate care).
 - Complete care path explanation
 - Training on administration of medication and experience upon taking the medication, including contraindications and safety precautions
 - Storage and disposal instruction
 - Educations, community, and other resources available for patient advocacy
- Drug and disease state initial assessments with no time limit which-are comprehensive to ensure highest possible outcomes, the assessment focuses on overall health conditions, understanding of the medication and possible side effects and finally patient support access, including financial ability to acquire medication and possible options for support

- Annual disease state reassessments
- Patients are supplied with supporting materials and items (free of charge) – swabs, bandages, sharps containers, syringes/needles.

We support meaningful accreditation that demonstrates expertise and commitment to the high level of quality care and the expertise to provide the necessary care required when dealing with rare and difficult to treat medical conditions. In specialty and rare disease pharmacy, quality and accreditation are essential. Clinical programs, service and quality metrics and the use of analytics are designed to ensure the best possible patient outcomes and the highest patient safety. An array of pharmacist clinicians certified in specialty pharmacy, oncology, and pharmacotherapy guide patients through therapy in conjunction with nurse clinicians and case workers. Patients seen by specialty pharmacies are 50% more likely to be adherent compared to those that use a retail pharmacy. Lack of adherence results in missed outcomes and wasted healthcare dollars, increasing the premiums for all of us.

We welcome any of the Committee members to tour our facility and would be pleased to discuss these important issues further.

Thank you for your time and commitment to the citizens of Wisconsin.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robyn S. Crosson".

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