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March 15, 2023

House Committee on Health
North Carolina State Capitol
1 E. Edenton Street
Raleigh, NC 27601

Dear Representative,

On behalf of the 42,183 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in North Carolina, I urge you to oppose [HB 246](#), which would impose onerous regulations on pharmacy benefit managers (PBMs), and the sponsors they serve including businesses, unions, state and local government, associations, and other organizations that provide health insurance to their employees or members.

PBMs save money for patients by negotiating lower prices on behalf of large groups. Today, PBMs administer plans for more than [275 million Americans](#) nationwide. PBMs save payers and patients an average of [\\$1,040](#) per person per year. PBMs use various tools like rebates, pharmacy networks, drug utilization review, formularies, specialty pharmacies, mail-order, and audits to drive down drug costs, improve quality, increase patient medication adherence, and prevent fraud. HB 246 would undermine important safety and quality requirements set by third-party accreditation groups for pharmacies that handle specialty drugs for debilitating diseases like cancer.

PBMs require pharmacies to compete on price, thus lowering costs for patients. HB 246 will limit the options for small and large businesses to use lower-cost pharmacies in their health coverage plans. This puts North Carolina business owners at a competitive disadvantage based on the benefits they would be able to offer their employees.

For the above reasons I urge you to oppose HB 246 which if passed will drive up health care costs for North Carolinians in the form of increased out-of-pocket costs on prescription drugs, and higher premiums and deductibles. Further distorting the medical marketplace with heavy handed price controls and mandates will reduce safety standards and hurt business owners in the Tar Heel state.

Sincerely,

Tom Schatz