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January 18, 2022

The Honorable Nancy K. Barto  
Chairwoman  
Arizona Senate Health Committee  
400 West Congress St.  
Tucson, Arizona 85701

Dear Chairwoman Barto,

On behalf of 70,914 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in Arizona, I urge you to reject [SB 1161](#) based on the harm it will cause patients by limiting their choices for coverage and increasing their healthcare costs. This legislation would have a devastating impact by inserting government into the healthcare marketplace and limiting the ability of pharmacy benefit managers (PBMs) to successfully negotiate costs for patients in an employer or group-sponsored plan.

PBMs use pharmacy networks, specialty pharmacies, and mail orders to lower prescription drug prices for their clients. This bill will limit these options and put Arizonians at risk for higher out-of-pocket costs, higher premiums, and increased deductibles.

PBMs are trusted and utilized by more than 266 million Americans nationwide, including self-insured employer health benefit plans, union health plans, Medicare Part D plans, state government plans, Medicaid managed care plans, and other entities. PBMs lower patients' costs by grouping them together and negotiating at higher volumes. SB 1161 will interfere and undermine this successful business model by restricting how employers can design their pharmacy benefit plans, resulting in lower-quality, more costly plans. Such limitations on the options that businesses can provide their employees are likely to interfere with the creation of new jobs and improved healthcare benefits.

SB 1161 will also hamper safety innovation utilized by PBMs, including the use of specialty and mail-order pharmacies, helping with patient adherence, reducing dispensing errors, and conducting audits to prevent fraud.

The legislation would do nothing to lower drug costs in the state of Arizona and instead will raise them, along with saving little or no money for taxpayers. PBMs play vital roles in the complex process of providing pharmaceutical benefits to employees by negotiating prices on behalf of large groups, which drive down costs based on volume and pass millions of dollars in savings to health plan sponsors.

CCAGW urges you to reject HB 1611 and allow PBMs to continue to save millions of dollars for patients and taxpayers.

Sincerely,

*Tom Schatz*