



Thomas A. Schatz, *President*
1100 Connecticut Ave., N.W., Suite 650
Washington, D.C. 20036
ccagw.org

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Senate Health Care Committee
North Carolina General Assembly
1 E. Edenton Street
Raleigh, NC 27601

Dear Senator,

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 would 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. The legislation would further distort the medical marketplace with heavy-handed price controls and mandates, reduce safety standards, and hurt business owners in the Tar Heel state.

For the above reasons, I urge you to oppose HB 246 and prevent increased healthcare costs for North Carolinians in the form of increased out-of-pocket costs on prescription drugs, and higher premiums and deductibles.

Sincerely,

Tom Schatz