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West Virginia Capitol
1900 Kanawha Blvd. E.
Charleston, WV 25305

Dear Senator,

The Senate Health and Human Resources Committee will soon have a hearing on [HB 4112](#). This legislation, should it become law, would impose onerous regulations on pharmacy benefit management and interfere with privately negotiated contracts among insurers, pharmaceutical benefit managers (PBM), 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. On behalf of the 8,593 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in the state of West Virginia, I urge you to oppose this legislation.

Today, pharmaceutical benefit managers (PBMs) administer plans for 266 million Americans nationwide. Various tools like rebates, pharmacy networks, drug utilization review, formularies, specialty pharmacies, mail-order, and audits drive down drug costs, improve quality, increase patient medication adherence, and prevent fraud. By negotiating on behalf of large groups, PBMs utilize stronger negotiating power and drive down costs for patients. HB 4112 would make it more difficult for PBMs to provide cost-saving services to their customers, including limitations on mail-order pharmacies that offer safe and convenient access to life-saving medicines. Restricting mail-order pharmacies will create barriers to access and increase costs for patients.

HB 4112 would also increase costs by expanding a \$10.49 fee to every individual who uses an employer pharmacy benefit. According to the 2021 National Community Pharmacy Association survey, there are 448 pharmacies in West Virginia. This could apply to any patient who purchases a prescription at one of these pharmacies. This price increase will further exacerbate the impact of the highest inflation in decades. This fee will hurt vulnerable patients, and the cost increases will be passed on to consumers.

PBMs and the privately negotiated plans offer pharmaceutical benefits to employees. This legislation threatens these private contracts PBMs have with their consumers, and thus the savings passed onto patients. PBMs drive down drug costs and help their members safely and effectively access life-saving medicine. For the reasons above, I asked that you oppose the price controls and heavy-handed government regulations found in HB4112.

Sincerely,

Tom Schatz