



February 14, 2018

Mr. Chairman and Members of the Committee, my name is Alysia Heller. I have been a licensed pharmacist in Kansas since 2002, and I am Director of Pharmacy Operations at OptumRx in Overland Park, Kansas.

UnitedHealth Group is pleased to have the opportunity to provide feedback on SB 351, the *Kansas Pharmacy Patients Fair Practices Act*.

UnitedHealth Group is dedicated to helping people live healthier lives and making our nation's health care system work better for everyone through two distinct business platforms – UnitedHealthcare, our health benefits business, and Optum, our health care services business. Optum is tackling the biggest challenges in health care by partnering across the health care system.

OptumRx, our Pharmacy Care Services company, uses the most frequent health care consumer touch point – the pharmacy – to provide distinctive whole-person care, turning a traditionally disconnected, transactional experience into one that integrates the entire health care experience to help improve patient outcomes and reduce costs. Pharmacy may represent approximately 20% of all health care costs, but it can have a significant impact on the other 80% of spend. As governments, employers, and health plans are increasingly looking for solutions to address the unsustainable growth in prescription drug prices and in health care spending, OptumRx has modernized the traditional pharmacy benefits management model to offer a differentiated Pharmacy Care Services approach that not only addresses rising pharmacy costs, but overall health care costs and offers consumers an integrated and engaged pharmacy and medical experience

OptumRx is generating a significant and growing number of Kansas jobs, and making sustained economic and community investments in Kansas. More specifically:

- OptumRx and UnitedHealthcare collectively employ more than 2,400 people in Kansas, including more than 200 pharmacists and nearly 500 pharmacy technicians.
- OptumRx has a payroll of more than \$92 million annually in Kansas.
- The number of OptumRx employees has grown by 7% over the last year.
- OptumRx has invested \$30 million to modernize the OptumRx facility in Overland Park, Kansas.
- OptumRx operates a highly automated, state-of-the-art home delivery pharmacy in Overland Park, Kansas, with an accuracy rate of 99.995 percent.
- OptumRx's Specialty Pharmacy, BriovaRx, has headquartered its infusion business, with more than 225 employees, in Lenexa, Kansas.
- BriovaRx Infusion Services, formerly AxelaCare Health Solutions, is a national leader in providing home infusion therapies.
- BriovaRx Infusion Services supports a national footprint of 35 infusion pharmacies, and serves more than 1,000 Kansas residents annually who require high touch infusion therapy.
- OptumRx spends over \$200 million annually in-state across 23 Kansas companies.

- OptumRx serves the pharmacy care needs of more 124,000 Kansans who get their health coverage through their employers.
- OptumRx serves an additional 132,000 Kansans through the United Healthcare Community Plan of Kansas as a part of the KanCare Medicaid program.
- OptumRx has donated more than \$22 million in medications to health clinics in Kansas, providing vital medications to more 50,000 Kansans across the state.
- In partnership with Job One – a vocational services organization that provides jobs to more than 300 individuals with disabilities in Kansas – OptumRx recycles 622 tons of plastic, cardboard, and paper.
- United Health Foundation awarded a \$1.9 million dollar grant to the Community Health Center in Wyandotte County to support the hiring of Community Care Workers and celebrated providing care to the 1,000th patient as a result of the grant in June.

We appreciate the opportunity to provide our perspective as both a significant employer of pharmacists and pharmacy technicians, as well as a Pharmacy Care Services provider to hundreds of thousands of Kansans on the impact of the *Kansas Pharmacy Patients Fair Practices Act*.

Broadly speaking, this bill is detrimental to the Kansas health care system because it undermines the ability to use tools that help drive demonstrative improvements in patient health outcomes and cost savings that we have been able to successfully achieve for our customers. OptumRx was able to keep pharmacy cost trend down to 2.7% for its customers in 2017¹. Our clinical programs have led to: a 7% reduction in in-patient and emergency room admissions²; 30% improved adherence through synchronized specialty³; \$11-16 per member per month medical cost savings⁴; and 33% lower 60 day readmissions for oncology and transplant⁵. Our clinical and financial savings programs will be threatened by this bill.

We have evaluated the proposed legislation and believe strongly that it will:

- Undermine PBMs' ability to help control spiraling prescription drug prices for our public and private sector customers and their members;
- Increase drug costs to the State, employers, and consumers;
- Interfere in the contractual relationship between a PBM and a pharmacy;
- Limit the quality and performance programs we have with pharmacies, to the detriment of patient care and consumer satisfaction;
- Undermine proven tools used by PBMs to lower drugs costs; and
- Provide no meaningful benefits to patients.

We appreciate the opportunity to share our concerns. For the reasons stated above, we respectfully oppose this bill as drafted.

We would welcome the opportunity to work with the Legislature to advance workable policy solutions to reduce drug costs for Kansans.

¹ OptumRx trend analysis through Q3 2017.

² Analysis of 80 synchronized clients. Validated by Milliman. 2016.

³ OptumRx three-month pilot study of 85,000 client membership. 2017.

⁴ 2016 analysis of 80 synchronization clients.

⁵ 2017 specialty retrospective claims analysis.