

**Prime Therapeutics
Testimony on Senate Bill 82
February 13, 2017**

Good morning Madam Chair and members of the committee.

My name is Abby Stoddard and I am a pharmacist with Prime Therapeutics. Prime is the pharmacy benefit manager owned in part by Blue Cross Blue Shield of Kansas. I am here this morning to respectfully oppose SB 82, as this bill will raise health care costs for all Kansans with no benefit to anyone except the pharmaceutical manufacturers.

I want to open by telling you about a TV commercial I saw recently for a diabetes product called Trulicity. The commercial opens with soft music and the voice of a middle-aged man slowly explaining how Trulicity has helped him reach his goals. The commercial is a total of 2 minutes long. About 50 seconds in the talking speeds up and goes on for over a minute about a terrible list of side effects and a very important statement from the FDA – “Trulicity is not recommended as the first medicine to treat diabetes”. It ends with information on where a patient or physician can get more information, including samples and coupons.

This commercial is a textbook example of why we use step therapy programs. The drug – as admitted by the ad – is not a recommended first line agent. The first line agent is a drug called metformin. Metformin costs about \$4 per month, Trulicity costs about \$750. If you think the price or guidelines would be enough to deter unnecessary prescribing alone, think again – a recent study from the American Journal of Medicine found that more than one-third of diabetic patients were not started with metformin and instead used more expensive, newer drugs. The advertising is working.

Step therapy is an evidence-based, proven tool that has been accepted by the medical community as a way to provide effective care while managing cost. For our plans in Kansas, these programs impact less than 1% of all claims we pay each year, but deliver savings to our health plans and employers between \$400,000 and \$600,000 every single quarter. For these programs our providers have access to a clear, simple process to request exceptions and authorizations – within two clicks of the Blue Cross Kansas website home page.

Proponents of this bill will say that this bill does not get rid of step therapy. It simply makes it better or more transparent. I wholeheartedly disagree – this bill is a national effort specifically designed to allow pharmaceutical companies to exploit our step therapy process, driving up costs for everyone and lining their pockets. I say national effort because this bill has been filed nearly word-for-word in 10 states this year. I will walk through the bill briefly and explain what I mean.

Section 4(2)(c) would require us to open our pharmacy and therapeutics committee, the expert pharmacists and physicians who develop these programs, for public review and comment. These committees are quarantined to protect them from the influence of the pharmaceutical companies. I am from Minnesota, and we have two prescription drug

boards for our Medicaid plan that are open to the public – I happen to sit on one of these boards. In my nearly 4 years as a board member the only members of the public to attend every single meeting are representatives of the pharmaceutical companies who are there to attempt to influence our decisions when we consider restricting use of their products.

This bill is currently being heard in New Mexico as well – in the state analysis of that bill their Human Services Division found that when pharmaceutical companies were involved in the development of their clinical guidelines “expensive, newer generation medications were emphasized.”

An even larger concern is 6(2)(E). This section states that a health plan must approve a step therapy exception for someone who is considered stable on the drug under their current or previous health plan. The committee may not be aware, but a huge problem faced by our health plans is the use of free samples for these expensive drugs. Currently our members are provided free samples of high-cost me-too drugs every day. Under this section of the bill the pharmaceutical companies can give a patient a week free trial of any given drug and then automatically bypass any step therapy program requiring use of less expensive, equally effective alternatives.

Step therapy programs have an accepted place in our health care system and are a critical tool to providing sustainable, affordable health care benefits for Kansans. This bill would render that tool useless, and therefore we oppose SB 82.

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