



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, & Economic Development

Corporations, Business, & Professional Licensing
Board of Pharmacy

P.O. Box 110806
Juneau, Alaska 99811-0806
Main: 907.465.2550
Fax: 907.465.2974

July 23, 2023
The Honorable Senator Giessel
Alaska State Senate
State Capitol Room 427
Juneau, Alaska 99801
Senator.Cathy.Giessel@akleg.gov

Re: SB 121 –Patient Freedom of Pharmacy Choice– Letter of Support

Dear Senator Giessel,

The Alaska Board of Pharmacy (“board”) is submitting its position on SB 121, An Act relating to the Board of Pharmacy; relating to insurance; relating to pharmacies; relating to pharmacists; relating to pharmacy benefits managers; relating to patient choice of pharmacy; and providing for an effective date. During its April 21, 2023, meeting, the board discussed and voted to support SB 121 because it:

- Gives patients the right to access medications at the pharmacy of their choice.
- Provides framework for transparency and fair reimbursement for pharmacies and patients.
- Protects patient access to clinician administered medication by restricting the practices of white bagging and brown bagging.
- Aligns with the board’s FY2023 strategic plan, specifically goal #4 which is to grow Alaska’s economy while promoting community health and safety.

The board endeavors to promote, preserve, and protect the public health, safety, and welfare by and through the effective control and regulation of the practice of pharmacy. Over the last few years, the board has received comment from Alaskan pharmacists, technicians, members of the public, and organizations about current practices limiting access to Alaskan pharmacies and compromising the safety of medications received in the state. SB 121 will help ensure Alaska’s pharmacies can continue to safely serve Alaskans.

Sincerely,

A handwritten signature in black ink that reads "Ashley Schaber".

Ashley Schaber, PharmD, MBA, BCPS
Chair, Alaska Board of Pharmacy

January 28, 2024



Senator Cathy Giessel
Representative Jesse Sumner
Alaska State Legislature
Juneau, Alaska 99801

Re: **Support** for SB 121 / HB 226 – *the Patient Freedom of Pharmacy Choice Act*

Dear Honorable Senator Giessel and Representative Sumner,

The Alaska Pharmacy Association represents pharmacists, pharmacy technicians, student pharmacists and pharmacies across the State of Alaska. We are pleased to offer our support for SB 121 / HB 226 – The *Patient Freedom of Pharmacy Choice Act*. This bill protects patients' right to choose their own pharmacy, guards the patient-pharmacist relationship, and bars unfair trade practices that impact Alaskan patients and pharmacies.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers (PBMs) take away that choice from our patients. PBMs decide which drugs are covered by insurance, how much is paid to the pharmacy, and which pharmacy the prescription can be filled. Vertically integrated PBMs own mail-order pharmacies – fiscally incentivizing them to gatekeep contracted pharmacies and funnel prescriptions to their own pharmacies in the lower 48. This has greatly impacted where Alaskans are “allowed” to fill their prescriptions, a situation that causes delays in care for patients and hurts local pharmacies. These practices have resulted in many local pharmacies going out of business or reducing hours, leaving pharmacy deserts around the state. Because of Alaska's geographic location, mail-order from the lower 48 can be problematic due to the long transit time and inclement weather, leading to medications becoming frozen, inappropriately thawed, and/or otherwise unsafe for use which also leads to increased prescription drug costs on already expensive medications for patients and employers. Nothing in this legislation prohibits patients from using mail-order if they prefer to do so.

Research has shown that interaction with a pharmacist can increase medication safety and adherence, leading to improved health outcomes and decreased healthcare costs. As one of the most trusted healthcare providers, the services we provide are valuable and our patients lose that if forced to fill at a mail-order pharmacy. It is important that our pharmacies stay in Alaskan communities and patients have access to pharmacists they have a trusting relationship with.

PBMs are wreaking havoc on our healthcare system and public health infrastructure in Alaska, while making themselves billions of dollars at the expense of patients, employers, and pharmacies. Their opaque reimbursement methodologies and secretive unfair trade practices have caught the attention of lawmakers in all 50 states, Congress, and the Federal Trade Commission.

It is critical that we pass reform for transparency and patient freedom of pharmacy choice before it's too late.

Respectfully,

A handwritten signature in black ink that reads "Brandy Seignemartin". The signature is written in a cursive, flowing style.

Brandy Seignemartin, PharmD
Executive Director
Alaska Pharmacy Association
akpharmacistsassociation@gmail.com

February 6, 2024

Senator Giessel
State Capitol Room 427
Juneau AK, 99801
Senator.Cathy.Giessel@akleg.gov

Dear Senator Giessel,

For 70 years, the Alaska Hospital & Healthcare Association (AHHA) has served as a non-profit trade association representing Alaska's hospitals, nursing homes, and other healthcare partners across the continuum of care. AHHA members play an invaluable role, both as community providers and essential employers, in cities, towns, and villages across Alaska.

AHHA supports SB 121 and its aim to bring more transparency to the operations of pharmacy benefit managers (PBMs) and the ability of the Board of Pharmacy to regulate these entities in Alaska. Pharmacy services are a critical component of hospital operations, and this often extends into the community through hospital-operated infusion centers that provide patients access to critical drugs and treatments.

While SB 121 addresses several concerning aspects of PBMS, AHHA is especially appreciative of how the legislation allows the Board of Pharmacy to regulate and prevent concerning practices known as "white bagging" and "brown bagging."

White bagging and brown bagging are tactics used by PBMs to bypass local pharmacies and dictate where and how drugs are prepared and administered to patients.

For example, PBMs will send specialty drugs to a patient's house and have the patient bring the drugs to the local infusion center or hospital to be administered to the patient. This "brown bagging" can be dangerous because it undermines basic quality control standards by inserting the patient into the supply chain, thus risking compromise to the drug and the facility or provider who ultimately administers it. Similarly, "white bagging" is when the PBM ships a specialty drug directly to the hospital or provider for a specific patient even though such a drug may require ingredients being locally mixed, prepared, and stored based on the specific order, again creating doubt over quality control, safe handling, storage, and even waste.

Bringing transparency and accountability to healthcare, especially around PBMs and questionable practices represents good public policy that is in the interest of all Alaskans. AHHA supports SB 121, and we look forward to working together as this bill



goes through the legislative process. Thank you for bringing this legislation forward and your commitment to advancing healthcare for Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Kosin'.

Jared C. Kosin, JD, MBA
President & CEO



Tanana Chiefs Conference

Health Services

Al Ketzler, Sr. Building

201 First Ave, Suite 300

Pharmacy Services

Fairbanks, AK 99701

(907) 452-8251 Fax: 459-3950

February 9, 2024

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – *the Pharmacy Patient Choice Act*

Dear Sen. Giessel:

Tanana Chiefs Conference (TCC) is pleased to offer its support for Senate Bill 121, the *Pharmacy Patient Choice Act*. TCC is an Alaska Native non-profit consortium of Tribes, charged with advancing Tribal self-determination and enhancing regional Native unity. We represent 42 communities and 37 federally recognized tribes in our work toward meeting the health and social service needs of Tribal members and beneficiaries throughout our region. SB121 protects patient independence and safety, lowers prescription costs for consumers and employers, and bars unfair trade practices that saddle Tribal Health Organizations (THOs) with inadequate reimbursement rates and fees.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers, or PBMs, decide which drugs are covered, how much you pay at the pharmacy counter, and which pharmacy can fill your prescription. PBMs own their own mail order pharmacies and are forcing patients to get their prescriptions filled exclusively at their vertically integrated companies. Congress and all 50 state legislatures are looking into this issue. Additionally, the vertical integration of PBMs is under active FTC investigation.

SB121 would eliminate unsafe barriers PBMs put between patients and their healthcare providers. For example, PBMs send delicate infusion drugs through the mail rather than letting a hospital or clinical pharmacy fill prescriptions on-site to treat patients. This practice is especially dangerous in Alaska, where unpredictable mail service and extreme weather can ruin expensive, life-saving medical treatments.

SB121 calls for price transparency. PBMs claim that allowing patients to choose their pharmacy will drive up costs for employers. However, analysis of claims level data from several states shows that this is false. The Alaska State Legislature has passed healthcare price transparency legislation with bipartisan support. Now it is time for prescription drug price transparency.

If you have any questions, please contact Dan Nelson, TCC Director of Pharmacy, at daniel.nelson@tananachiefs.org.

Sincerely,

Jacoline Bergstrom

Jacoline Bergstrom, Executive Director of Health Services
Tanana Chiefs Conference

Our Vision

Healthy People Across Generations.

Our Mission

TCC Health Services, in partnership with those we serve, promotes and enhances spiritual, physical, mental and emotional wellness through education, prevention and the delivery of quality services.



**ALASKA NATIVE
TRIBAL HEALTH
CONSORTIUM**

April 5, 2023

Senator Cathy Giessel
State Capitol Room 427
Juneau, AK 99801

RE: ANTHC Support of Senate Bill 121

Senator Giessel,

On behalf of the Alaska Native Tribal Health Consortium (ANTHC), I write in support of Senate Bill (SB) 121.

ANTHC is a statewide tribal health organization serving all 229 Tribes and all Alaska Native and American Indian (AN/AI) individuals in Alaska. ANTHC and Southcentral Foundation co-manage the Alaska Native Medical Center (ANMC), the tertiary care hospital for all AN/AI people in Alaska. ANTHC also provides a wide range of statewide public health, community health, environmental health and other programs and services for Alaska Native people and their communities.

The provisions of SB 121 reflect the growing nationwide concern among patients and providers on the largely unregulated business practices of Pharmacy Benefit Managers (PBMs), and their increasingly intrusive role in health care decision-making and patient safety. In Alaska, the adverse impacts of these practices are seen in increased pharmacy administrative burdens, delayed and damaged medications, and the continued siphoning of Alaska's limited financial health care resources to Outside corporations.

SB 121 seeks to protect patients and providers from the profit-motivated policies of the PBM industry, recognizing the "one-size-fits-all" business model applied in large metropolitan areas fails to recognize the reality of delivering prescription medications across Alaska, especially in our isolated rural communities.

Thank you for the opportunity to provide comment. Please do not hesitate to reach out with any questions or if additional information can be provided.

Sincerely,

A handwritten signature in black ink that reads "Monique R. Martin". The signature is written in a cursive, flowing style.

Monique R. Martin
Vice President, Intergovernmental Affairs

Alaska Native Tribal Health Consortium
4000 Ambassador Drive, Anchorage, Alaska 99508
Main: (907) 729-1900 | Fax: (907) 729-1901 | anthc.org

April 5, 2023

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – *the Patient Choice of Pharmacy Act*

Dear Sen. Giessel:

The SouthEast Alaska Regional Health Consortium (SEARHC)¹ is pleased to offer its support for Senate Bill 121, the *Patient Choice of Pharmacy Act*. SB121 protects patient independence and safety, lowers prescription costs for consumers and employers, and bars unfair trade practices that saddle Tribal Health Organizations (THOs) with inadequate reimbursement rates and fees.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers, or PBMs, decide which drugs are covered, how much you pay at the pharmacy counter, and which pharmacy can fill your prescription. PBMs own their own mail order pharmacies and are forcing patients to get their prescriptions filled exclusively at their vertically integrated companies. Congress and all fifty state legislatures are looking into this issue. Additionally, the vertical integration of PBMs is under active FTC investigation.

SB121 would eliminate unsafe barriers PBMs put between patients and their healthcare providers. For example, PBMs send delicate infusion drugs through the mail rather than letting a hospital or clinical pharmacy fill prescriptions on-site to treat patients. This practice is especially dangerous in Alaska, where unpredictable mail service and extreme weather can ruin expensive, life-saving medical treatments.

SB121 calls for price transparency. PBMs claim that allowing patients to choose their pharmacy will drive up costs for employers. However, analysis of claims level data from several states shows that this is false. The Alaska State Legislature has passed healthcare price transparency legislation with bipartisan support. Now it is time for prescription drug price transparency.

Respectfully,



Leatha Merculieff
Senior Vice President and Chief Operating Officer
SEARHC

¹ SEARHC is a non-profit health consortium which serves the health interests of the residents of Southeast Alaska.

Letter of Support for SB121 Patient Choice of Pharmacy Act



MANIILAQ
ASSOCIATION

April 13th, 2023

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – Pharmacies/Pharmacists Patient Choice of Pharmacy Act

Dear Sen. Giessel:

Maniilaq Association is pleased to offer its support for Senate Bill 121, the Patient Freedom of Pharmacy Choice Act. SB121 protects patient independence and safety, lowers prescription costs for consumers and employers, and bars unfair trade practices that saddle Tribal Health Organizations (THOs) with inadequate reimbursement rates and fees.

Maniilaq Association is one of 12 Regional Native 501 (c) (3) Non-profit Corporations located within the State of Alaska, that serves twelve federally recognized tribes in Northwest Alaska. Maniilaq provides comprehensive health care to all people in our service area, while promoting prevention, fitness, wellness, holistic strategies and incorporating local traditional core values and beliefs. Our service area already faces some of the highest cost of living in the state. High cost of prescription drug makes it harder to provide healthcare in our rural Alaska communities.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers, or PBMs, decide which drugs are covered, how much you pay at the pharmacy counter, and which pharmacy can fill your prescription. PBMs own their own mail order pharmacies and are steering patients to get their prescriptions filled exclusively at their vertically integrated companies. Congress and all 50 state legislatures are looking into this issue. Additionally, the vertical integration of PBMs is under active FTC investigation.

SB121 would eliminate unsafe barriers PBMs put between patients and their healthcare providers. For example, PBMs send delicate infusion drugs through the mail rather than letting a hospital or clinical pharmacy fill prescriptions on-site to treat patients. This practice is especially dangerous in Alaska, where unpredictable mail service and extreme weather can ruin expensive, life-saving medical treatments.

SB121 calls for price transparency. PBMs claim that allowing patients to choose their pharmacy will drive up costs for employers. However, analysis of claims-level data from several states shows that this is false. The Alaska State Legislature has passed healthcare price transparency legislation with bipartisan support. Now it is time for prescription drug price transparency.

Respectfully,

Tim Gilbert, President/CEO

MANIILAQ ASSOCIATION | P.O. BOX 256 | KOTZEBUE, AK 99752 | 1.800.478.3312

Kotzebue **Qikiqtaruk**, Ambler **Ivisaappaat**, Buckland **Nunatchiaq**, Deering **Ignatchiaq**, Kiana **Katyaak**, Kivalina **Kivaliniq**,
Kobuk **Laugviik**, Noatak **Nautaaq**, Noorvik **Nuurvik**, Point Hope **Tikigaaq**, Selawik **Akuligaaq**, Shungnak **Isinnaq**



April 13, 2023

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – Pharmacies/Pharmacists *Patient Choice of Pharmacy Act*

Dear Senator Giessel:

On behalf of Chugachmiut, a tribal consortium representing the seven communities including Chenega, Eyak (Cordova), Nanwalek, Port Graham, Qutekcak (Seward), Tatitlek, and Valdez, Alaska, I am pleased to support Senate Bill 121, the *Patient Freedom of Pharmacy Choice Act*. SB121 protects patient independence and safety, lowers prescription costs for consumers and employers, and bars unfair trade practices that saddle Tribal Health Organizations (THOs) with inadequate reimbursement rates and fees.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers, or PBMs, decide which drugs are covered, how much you pay at the pharmacy counter, and which pharmacy can fill your prescription. In addition, PBMs own their own mail-order pharmacies and are steering patients to get their prescriptions filled exclusively at their vertically integrated companies. Congress and all 50 state legislatures are looking into this issue. Additionally, the vertical integration of PBMs is under active FTC investigation.

SB121 would eliminate unsafe barriers PBMs put between patients and their healthcare providers. For example, PBMs send delicate infusion drugs through the mail rather than letting a hospital or clinical pharmacy fill prescriptions on-site to treat patients. This practice is especially dangerous in Alaska, where unpredictable mail service and extreme weather can ruin expensive, life-saving medical treatments.

SB121 calls for price transparency. PBMs claim that allowing patients to choose their pharmacy will drive up costs for employers. However, analysis of claims-level data from several states shows this is false. The Alaska State Legislature has passed healthcare price transparency legislation with bipartisan support. Now it is time for prescription drug price transparency.

Respectfully,

Angela J. Vanderpool
Executive Director





White's
Pharmacy
705 Halibut Point Rd
Sitka, Ak. 99835
Ph: (907)-313-6881
Fax: (907) 966-2468



Harry Race
Pharmacy & Photo
106 Lincoln St
Sitka, Ak. 99835
Ph: (907)-313-8760
Fax: (907) 966-2190

April 3, 2023

Senator Cathy Giessel

Alaska State Capitol

Juneau, Alaska 99801

Dear Senator Giessel,

Harry Race, Whites Pharmacies and our 33 employees are writing in support of SB 121.

This legislation will protect Alaskan citizens' rights to choose the pharmacy that will provide them pharmacy care and the multiple options to care that may be available by that pharmacy for them. Pharmacy Benefit Managers, or PBMs, have various tactics that are forcing patients to us mail order. Some of those are financial like lower or no copays for mail order, and they will limit what medications can be filled at an independent pharmacy through their tier system, then they can delay for weeks a person from getting a medication via their prior authorization process. Pharmacy Benefit Managers, through their various policies, dictate where a patient can get their medications, if the patient can come to their local pharmacy, they dictate what meds we can dispense to them, when we can or cannot dispense medications to them, and lastly, they dictate what we will be paid for those medications.

PBMs will say, "that is what is in your contract". Every contract that has been sent to us is so very one-sided in their favor. When we have redlined and modified a contract, we are told to either sign the contract or lose all those patients to mail order, there is no negotiation it is a take it or leave it strategy. Then of course, the PBM will modify that contract whenever they wish to serve their needs without any means for us to agree. All of this is leading to more and more healthcare deserts across the country. This is even worse here in Sitka and the rest of the state. This is reducing access to care and impacts the population that needs to be served the most.

If you hear anyone try to tell you that Pharmacy Benefit Managers keep prices down by these negotiations, then why have prescription prices escalated more than double inflation? Meanwhile, what the pharmacy is paid for medications has gone down more than that. We were told by a PBM contractors as an explanation of why our payments have gone down is because "their costs have gone up". Mean while our premiums have gone up, as have all our costs to do business.

This legislation will give Alaskans their rights back and keep access to needed pharmacy healthcare which is the best dollar spend in all of healthcare.

Sincerely,



Dirk White RPh, and the whole Pharmacy team in Sitka



Island Pharmacy Inc.
3526 Tongass Ave.
Ketchikan, AK 99901
Phone: (907) 225-6186
Fax: (907) 225-6187
www.islandpharmacyak.com

February 10, 2024

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – Pharmacies/Patients

Dear Sen. Giessel:

I am writing in support of SB 121 which will help protect patient independence and safety, lower prescription costs for consumers and employers, and bar unfair trade practices that have been driving Alaskan owned Independent pharmacies such as ours out of business.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers, or PBMs, decide which drugs are covered, how much you pay at the pharmacy counter, and which pharmacy can fill your prescription. PBMs own their own mail order pharmacies and are forcing patients to get their prescriptions filled exclusively at these pharmacies. Congress and all 50 state legislatures are looking into this issue and Alaska must act also.

SB 121 would eliminate unsafe barriers PBMs put between patients and their needed medications. For example, PBM owned pharmacy ship drugs through the mail rather than letting a hospital or local pharmacy fill prescriptions on-site for patients. This practice is especially dangerous in Alaska, where unpredictable mail service and extreme weather can ruin pharmaceuticals.

SB 121 calls for price transparency. PBMs claim that allowing patients to choose their pharmacy will drive up costs for employers. However, analysis of claims level data from several states shows that this is false. Now it is time for prescription drug price transparency in Alaska.

Respectfully,

Barry Christensen, RPh

Barry Christensen, RPh

Owner

February 14, 2024

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – *the Patient Choice of Pharmacy Act*

Dear Sen. Giessel:

As a practicing Alaskan Pharmacist of over 21 years, I offer my strong support for Senate Bill 121, the Patient Choice of Pharmacy Act. SB121 protects patient independence of pharmacy choice and overall safety, while also lowering prescription costs for consumers and employers. Additionally, SB121 bars unfair trade practices that are literally bankrupting Alaskan pharmacies left and right. Alaska has lost 1 in 4 independent, mom-and-pop pharmacies since 2018 due to unfair trade practices employed by PBMs. Simply put, the playing field between PBMs and brick-and-mortar pharmacies in Alaska is completely out of balance and SB121 is an important first-step in putting things back into some degree of equilibrium.

I see on a daily basis how PBM practices negatively impact patient care, convenience, and cost. While PBMs were originally created to contain prescription costs, the fact of the matter is that they have utterly failed in that arena and now are the number one driver of increased prescription costs in America. They have become vertically-integrated behemoths that operate with impunity and predatory greed that is truly unmatched in any industry. Federal (FTC) investigations, United States Supreme Court Rulings (Rutledge v. PCMA), and Congressional action have done very little to slow the pernicious impacts of the PBM industry on our healthcare system and patient care in America. Statutory change at a state level is desperately necessary to prevent further damage the PBM industry will undoubtedly continue to wreak on our healthcare system.

Thank you for spearheading efforts to bring positive change to this incredibly broken pharmaceutical reimbursement environment through the provisions eloquently laid out in Senate Bill 121. You are an unsung hero for all Alaskans and your continued leadership in meaningful healthcare reform through SB121 will continue to benefit Alaskans for generations to come.

Respectfully,



Dan Nelson, PharmD
191 Eagle Ridge Road
Fairbanks, AK 99712

April 10, 2023

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121, The Patient Freedom of Pharmacy Choice Act

Dear Senator Giessel

Thank you for introducing SB 121, the Patient Freedom of Pharmacy Choice Act. SB 121 protects patient's independence in selecting the pharmacy of their choice, lowers prescription costs for consumers and employers, and bars unfair trade practices and inadequate reimbursement rates and fees for pharmacies in Alaska.

Alaskans should be free to choose the own pharmacy, but pharmacy benefit managers (PBM's) decide which drugs are covered, how much the patient will pay at the local pharmacy, and which pharmacy may fill prescriptions for their clients. PBM's own mail order pharmacies and are often forcing Alaska patients to get their prescriptions filled exclusively at the mail order pharmacy they own. This prevents patients from having a local pharmacy and pharmacist that they can call with questions or concerns. It can also be especially dangerous here in Fairbanks when a mail order prescription package is left in the mailbox along the road at -40 degrees, or, the package goes missing due to the unfortunately high rate of mail theft along our rural postal routes.

When I first came to Fairbanks in 1970, I was employed as a pharmacist in several independent pharmacies in town, as well as the Teamster's pharmacy (mostly for the Teamsters Union beneficiaries), and the small Public Health Service clinic pharmacy. Each pharmacy set their own prices and there was no PBM middleman involved like there is today. Also, I knew most of my patients, I knew their family, and I assured them that I was available if they had questions about their medications or side effects they were experiencing. I highly doubt that the mail order pharmacy's personnel know or care about the individual that is being treated with the medications they are preparing. Today the independently owned pharmacies in our town are almost all gone because they cannot afford the crippling lack of a fair reimbursement from the PBM, who is now the middleman dictating where patients can fill their prescriptions. It makes me very sad!

Margaret D. Soden, RPh, Retired
3222 Anella Avenue, Fairbanks Alaska (home)
PO Box 61328, Fairbanks AK 99706-1328 (mail)
margaretdsoden@gmail.com

1/30/24

Senator Cathy Giessel
Senate Majority Leader
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for Senate Bill 121 – *the Patient Choice of Pharmacy Act*

Dear Sen. Giessel:

I would like to offer my support for Senate Bill 121, the *Patient Choice of Pharmacy Act*. SB121 protects patient independence and safety, lowers prescription costs for consumers and employers, and bars unfair trade practices that drive local pharmacies out of business.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers, or PBMs, and the health companies they work for, decide which drugs are covered, how much you pay at the pharmacy counter, and which pharmacy can fill your prescription. PBMs own their own mail order pharmacies and are forcing patients to get their prescriptions filled exclusively at their vertically integrated companies. Congress and all 50 state legislatures are looking into this issue. Additionally, the vertical integration of PBMs is under active FTC investigation.

If left unaddressed, this is an Alaskan private sector job and business killer. Mom-and-Pop pharmacies are closing their doors left and right because of it. There is only one remaining independently-owned pharmacy in both Fairbanks and Anchorage in large part because of this issue.

SB121 would eliminate unsafe barriers PBMs put between patients and their healthcare providers. For example, PBMs send delicate infusion drugs through the mail rather than letting a hospital or clinical pharmacy fill prescriptions on-site to treat patients. This practice is especially dangerous in Alaska, where unpredictable mail service and extreme weather can ruin expensive, life-saving medical treatments.

SB121 calls for price transparency. PBMs claim that allowing patients to choose their pharmacy will drive up costs for employers. However, analysis of claims level data from several states shows that this is false. The Alaska State Legislature has passed healthcare price transparency legislation with bipartisan support. Now it is time for prescription drug price transparency.

Respectfully,

Saskia Esslinger
Small business owner
Homer

January 31, 2024

Senator Cathy Giessel
Senate Majority Leader
Representative Jesse Sumner
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for SB 121 / HB 226 – *the Patient Freedom of Pharmacy Choice Act*

Dear Honorable Senator Giessel and Representative Sumner,

I am pleased to offer our support for SB 121 / HB 226 – *The Patient Freedom of Pharmacy Choice Act*. This bill protects patients' right to choose their own pharmacy, guards the patient-pharmacist relationship, and bars unfair trade practices that impact Alaskan pharmacies.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers (PBMs) take away that choice from our patients. PBMs decide which drugs are covered by insurance, how much is paid to the pharmacy, and which pharmacy the prescription can be filled. Vertically integrated PBMs own mail-order pharmacies – fiscally incentivizing them to gatekeep contracted pharmacies and funnel prescriptions to their own pharmacies. This has greatly impacted where Alaskans are “allowed” to fill their prescriptions and has hurt local pharmacies. These practices have resulted in many local pharmacies going out of business, leaving pharmacy deserts around the state, which affects patient safety. Because of Alaska's geographical location, mail-order can be problematic due to the long transit time and inclement weather, leading to medications becoming frozen, inappropriately thawed, and/or otherwise unsafe for use. Nothing in this legislation prohibits patients from using mail-order if they prefer to do so.

Research has shown that interaction with a pharmacist can increase medication safety and adherence. As one of the most trusted healthcare providers, the services we provide are valuable and our patients lose that if forced to fill at a mail-order pharmacy. It is important that our pharmacies stay in Alaskan communities and patients have access to pharmacists they have a trusting relationship with.

Lastly, the number of independent pharmacies in Alaska has decrease by 25% in less than 6 years. SB 121 / HB 226 offers protection to our local pharmacies by prohibiting PBMs from reimbursing our pharmacies less than what they would reimburse their own affiliated pharmacies. Furthermore, this bill requires PBMs to supply contracted pharmacies with a list of current medication prices, as well as prohibiting spread pricing. This price transparency can help lower healthcare costs for patients and employee plan sponsors. The transparency provisions will help to ensure the most affordable and efficacious medications available are provided to patients.

Respectfully,



Brittany L. Keener, PharmD, MPH, BCPS, FAKPhA
Alaska Pharmacy Association President
Alaska Native Tribal Health Consortium Ambulatory Pharmacy Manager

February 12th, 2024

Senator Cathy Giessel
Senate Majority Leader
Representative Jesse Sumner
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for SB 121 / HB 226 – *the Patient Freedom of Pharmacy Choice Act*

Dear Honorable Senator Giessel and Representative Sumner,

I am pleased to offer my support for SB 121 / HB 226 – *The Patient Freedom of Pharmacy Choice Act*. This bill protects patients' right to choose their own pharmacy, guards the patient-pharmacist relationship, and bars unfair trade practices that impact Alaskan pharmacies.

Alaskans should be free to choose their own pharmacy, but pharmacy benefit managers (PBMs) take away that choice from our patients. PBMs decide which drugs are covered by insurance, how much is paid to the pharmacy, and which pharmacy the prescription can be filled. Vertically integrated PBMs own mail-order pharmacies – fiscally incentivizing them to gatekeep contracted pharmacies and funnel prescriptions to their own pharmacies. This has greatly impacted where Alaskans are “allowed” to fill their prescriptions and has hurt local pharmacies. These practices have resulted in many local pharmacies going out of business, leaving pharmacy deserts around the state, which affects patient safety. Because of Alaska's geographical location, mail-order can be problematic due to the long transit time and inclement weather, leading to medications becoming frozen, inappropriately thawed, and/or otherwise unsafe for use. Nothing in this legislation prohibits patients from using mail-order if they prefer to do so.

Research has shown that interaction with a pharmacist can increase medication safety and adherence. As one of the most trusted healthcare providers, the services we provide are valuable and our patients lose that if forced to fill at a mail-order pharmacy. It is important that our pharmacies stay in Alaskan communities and patients have access to pharmacists they have a trusting relationship with.

Lastly, the number of independent pharmacies in Alaska has decrease by 25% in less than 6 years. SB 121 / HB 226 offers protection to our local pharmacies by prohibiting PBMs from reimbursing our pharmacies less than what they would reimburse their own affiliated pharmacies. Furthermore, this bill requires PBMs to supply contracted pharmacies with a list of current medication prices, as well as prohibiting spread pricing. This price transparency can help lower healthcare costs for patients and employee plan sponsors. The transparency provisions will help to ensure the most affordable and efficacious medications available are provided to patients.

Respectfully,

Tara Ruffner, PharmD