

## Form Emails Solicited by AHCNC/NCAHP Contain The Following Misleading and False Information:

01

"I am a constituent of your writing because I am concerned that HB 246 will make it harder for North Carolinians to get prescription drugs through the mail... Please vote NO on HB 246 and protect the right to affordable mail-order medication."

Fact: H246 does not limit the ability to use mail-order, instead it prevents PBMs from *dictating* which pharmacy a patient uses (for example, PBMs cannot require patients to use their *own* mail-order pharmacies - a practice that is currently moving jobs, goods and taxes out of NC).

02

"I am writing to share my concerns regarding HB 246, particularly the provision mandating an additional \$10 dispensing fee for prescription medications. As a constituent deeply invested in the well-being of our community, I believe it is essential to address the unfairness and potential consequences of this requirement."

Fact: H246 creates *fairness* by preventing PBMs from reimbursing pharmacies *below the cost* of medications (following NC Medicaid's current model), reimbursing their own pharmacies at a higher rate and pay a dispensing fee, which is just to cover the cost of dispensing a medication (following NC Medicaid's current model - the current fee is \$10.24). Data from 2018 found the cost to dispense a medication was \$12.40.

03

"HB 246's provisions, such as mandating an outrageous \$10 dispensing fee for drugs and restricting preferred pharmacy networks, will only serve to enrich special interests while burdening patients and taxpayers with higher costs."

Fact: H246 does not enrich special interests or burden patients, rather it reigns in PBMs by preventing PBMs from reimbursing pharmacies *below the cost* of medications (following NC Medicaid's current model), reimbursing their own pharmacies at a higher rate and pay a dispensing fee, which is just to cover the cost of dispensing a medication (following NC Medicaid's current model - the current fee is \$10.24). Data from 2018 found the cost to dispense a medication was \$12.40.

Fact: The special interest groups are actually PBMs, not independent pharmacies. **1 independent pharmacy closed every day in 2023. CVS Health**, on the other hand, saw an almost **11% increase in profits** (they generated approximately **\$357.8 billion in revenue in 2023**, which is the highest ever registered).

Fact: H246 does not restrict preferred pharmacy networks - instead, it prevents PBMs from *dictating* which pharmacy a patient uses (for example, PBMs cannot require patients to use their own mail-order pharmacies - a practice that is currently moving jobs, goods and taxes out of our state).

**04**

**"I am writing to urge you to oppose HB 246, a bill that will increase prescription drug spending by billions of dollars in the next decade. HB 246's provisions, such as mandating an additional \$10 dispensing fee, removing protections from price gouging and restricting preferred pharmacy networks, will dramatically increase prices for patients and taxpayers."**

Fact: H246 will not increase prescription drug spending by billions of dollars. All states that have passed PBM reform have seen *significant* savings (see chart at the end of this document).

Fact: H246 prevents PBMs from reimbursing pharmacies *below the cost* of medications (following NC Medicaid's current model), reimbursing their own pharmacies at a higher rate and pay a dispensing fee, which is just to cover the cost of dispensing a medication (following NC Medicaid's current model - the current fee is \$10.24). Data from 2018 found the cost to dispense a medication was \$12.40.

Fact: H246 does not restrict preferred pharmacy networks - instead, it prevents PBMs from *dictating* which pharmacy a patient uses.

**05**

**"The rationale behind these mandated fees appears to prioritize the profits of special interest groups over the needs of patients. Rather than addressing the root causes of rising prescription drug costs, HB 246 shifts the burden onto individuals who are least equipped to bear it."**

Fact: The special interest groups are actually PBMs, not independent pharmacies: **1 independent pharmacy closed every day in 2023. CVS Health, on the other hand, saw an almost 11% increase in profits** (they generated approximately **\$357.8 billion in revenue in 2023**, which is the highest ever registered). **All 3 of the PBMs that control over 80% of the market are in the top 15 of Fortune 500 companies.**

Fact: A [report](#) found that **PBM-affiliated pharmacies are making 18-109xs greater profit** over the cost of drugs than the typical community pharmacy.

## **STATES THAT PASS PBM REFORM SEE SIGNIFICANT SAVINGS:**

In 2017, [West Virginia](#) removed PBMs from their state medicaid plan and **saved \$54 million dollars** in the first year & saved a little over \$6 per individual prescription.

[Ohio](#) State Auditor found that, of the \$2.5 billion that's spent annually through PBMs on Medicaid prescription drugs, **PBMs pocketed \$224.8 million** through the spread alone during a one-year period.

[Louisiana](#) **saved \$1.2 million** by switching to pass-through model with PBM.

[Louisiana](#): **PBMs retained \$42 million** that was incorrectly listed as "medical costs."

[Kentucky](#) found a **PBM made \$123.5 million** through spread pricing alone.

[California](#) dropped the PBM CVS Caremark - a move to cut prescription drugs costs between 10% and 15%, or about **\$500 million a year**

[Michigan](#): Drug price manipulation allowed PBMs to overcharge Michigan Medicaid by at least **\$64 million**.

[Pennsylvania](#): State auditor found that between 2013 and 2017, the amount that taxpayers paid to PBMs for Medicaid enrollees more than doubled from **\$1.41 billion to \$2.86 billion**.

[Virginia](#): A state-commissioned report on Medicaid found **PBMs pocket \$29 million** in spread pricing alone.

[Maryland](#): A state Medicaid report found **PBMs pocket \$72 million** annually in spread pricing alone.

[New York](#): A legislative committee investigated PBM practices and found “PBMs often employ controversial utilization and management tools to **generate revenue for themselves in a way that is detrimental to health plan sponsors, patients, and pharmacies**.”

[Florida](#): A report on Florida’s Medicaid managed care program found PBMs steered patients with high-cost, high-profit prescriptions to their own pharmacies and charged higher prices, revealing that “when it comes to dispensing brand name drugs, [managed care organization]/**PBM-affiliated pharmacies are making 18x to 109x more profit** over the cost of the drugs than the typical community pharmacy.”

## IMPORTANT INFORMATION ABOUT THESE GROUPS:

The groups "Affordable Healthcare Coalition of North Carolina" (AHCNC) and "North Carolina Association of Health Plans" (NCAHP) are run by individuals who profit from PBMs and have a large Facebook presence where they spread misinformation.

The AHCNC board of directors is composed of mostly BCBSNC executives, President of NC Chamber and an NC Farm Bureau Executive (brokers of BCBSNC). The chairman of AHCNC is the paid Executive Director of North Carolina Association of Health Plans. An NC Secretary of State filing lists the Affordable Healthcare Coalition of North Carolina's principal office address as 4613 University Drive Durham NC 27707, which happens to be the corporate office of BCBSNC.

NCAHP is represented by executives from: NC Health Plan, CVS Health, FirstCarolinaCare, Centene, Anthem, AmeriHealth Caritas NC, UnitedHealth Group, WellCare NC, Cigna and others. The Facebook page for NCAHP states that Precision Strategies, LLC is responsible for this page - this is a marketing firm known for "...shaping a narrative, defining a reputation... persuading and mobilizing an audience..." The firm is known for influencing politics in DC and all 50 states. It is interesting that a non-profit has the funds to hire a firm like this.