



Date: February 9, 2021

To: Chairman Testin, Vice-Chairman Kooyenga, and Members of the Senate Committee on Health

From: Janet L. Zander, Advocacy & Public Policy Coordinator

Re: **For Information Only – SB 3** – relating to: pharmacy benefit managers, prescription drug benefits, and granting rule-making authority

The Greater Wisconsin Agency on Aging Resources, Inc. (GWAAR) is a nonprofit agency committed to supporting the successful delivery of aging programs and services in our service area consisting of 70 counties (all but Dane and Milwaukee) and 11 tribes in Wisconsin. We are one of three Area Agencies on Aging in Wisconsin. We provide lead aging agencies in our service area with training, technical assistance, and advocacy to ensure the availability and quality of programs and services to meet the changing needs of older people in Wisconsin. Our mission is to deliver innovative support to lead aging agencies as we work together to promote, protect, and enhance the well-being of older people in Wisconsin.

Thank you for this opportunity to share testimony for information only on SB 3. In addition to providing training and technical assistance to county and tribal aging units/aging and disability resource centers (ADRCs) regarding Older Americans Act and other aging service programs, GWAAR also operates an Elder Law and Advocacy Center providing legal supervision for many of the Elder Benefit Specialist (EBS) programs at the local level. EBSs provide benefit counseling and assistance with appeals in the areas of Medicare, Medicaid, Social Security, Supplemental Security Income, FoodShare, housing, consumer debt, and other health insurance coverage issues. Over 75 percent of the closed EBS cases last year in the GWAAR service area were related to health insurance benefits, a significant portion of which were regarding prescription drug coverage and related prescription drug cost appeals and concerns.

According to a [2019 Kaiser Family Foundation Tracking Poll](#) nearly 90% of older adults reported they were taking prescription medication and many reported taking multiple medications. Over 75% of older adults reported the cost of prescription drugs was unreasonable, even for those with prescription drug coverage. Nearly one-fourth of older adults taking prescription drugs indicated it was difficult to afford their prescription drugs (this is especially true for those nearing Medicare age) and nearly one-tenth said it was very difficult to afford their medications. Additionally, over 20% reported they did not take their medication as prescribed due to the cost. Prescription drug costs accounted for [over 20% of out-of-pocket health care expenses](#) (not including premiums) for Medicare beneficiaries (2016).

Reducing prescription drug costs for older consumers and improving drug price transparency is a high priority for GWAAR and the Wisconsin Aging Advocacy Network. As such, GWAAR is specifically supportive of the following provisions included in SB 3:

- Prohibiting pharmacy benefit managers (PBMs) from banning pharmacists from informing customers that there is a lower cost option to paying for a prescription drug,
- Prohibiting PBMs from charging a copay greater than the amount the pharmacy would charge customer if he/she were not using insurance,
- Prohibiting PBMs from financially penalizing a consumer by charging higher co-pays for utilizing a particular in-network pharmacy versus another (choice of in-network provider is essential),
- Requiring pharmacies to have a public listing of the retail prices of the 100 most commonly prescribed prescription drugs available for purchase,
- Preventing the removal of prescription drugs from a formulary during a plan year, and
- Requiring a health insurance policy, health plan or PBM to provide at least a 30-day advanced written notice to members regarding any formulary change that removes a prescription drug from the formulary or reassigns the prescription drug to a higher benefit tier with higher deductibles, co-pays, or co-insurance and including information on the procedure for requesting an exception as part of this notice.

We appreciate the interest in and efforts of policy makers to address growing concerns related to the high cost of prescription drugs and look forward to continuing to work with you on policies that improve the quality of life of older people in Wisconsin.

Thank you for your consideration of these comments regarding SB 3.

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