



TPBC is a collaborative effort between American Pharmacies, an independent buying co-op, and the Texas Pharmacy Association's Academy of Independent Pharmacists. We represent approximately 1,700 Texas community pharmacies. Our mission is ensuring access to quality pharmacy services, the viability of community pharmacy and the pharmacy profession.

Support concurrence of House amendments to SB 704—Nelson (Relating to disclosure of prices charged stated agencies for pharmacy benefit manager services).

- C.S.S.B. 704 amends current law relating to disclosure of the prices charged to state agencies in connection with pharmacy benefit manager services. State agencies can learn from each other's purchasing strategies and practices. As a consumer of PBM services and a steward of taxpayer dollars, the state of Texas has a right and obligation to make sure each dollar spent on state employees' prescription drugs is spent wisely.
- **SB 704 carries two amendments important to independent community pharmacy:**
 - Language from HB 4596 that follows the State Auditor's Office recommendations for transparency in state PBM contracts to include full rights to use an outside auditor to audit both the PBM contract and PBM-owned mail order pharmacies.
 - Language from HB 2293 that allows retail community pharmacies the option to fill 90-days supply of maintenance medications for ERS and TRS beneficiaries under the same terms and conditions as the PBM-owned mail order pharmacy.

The mail order amendment opposition's arguments are two-fold.

- 1) The current plan has achieved \$90 million in savings.
 - 2) If optional 90 days at retail is allowed, the volume to the mail order pharmacy could drop forcing the PBM to raise their bid. **These arguments are easily refuted.**
- The \$90 million in savings attributed to the state's current mail order plans were calculated using the reimbursement differential between mail and retail. With the mail order parity amendment, their argument fails because retail pharmacies that opt for the 90-day must accept the same reimbursement being paid to the PBM-owned mail order pharmacy.
 - **Medicare Part D plans allow optional 90-day retail and this has NOT resulted in any increased cost.** Medicare Part D plans are managed by PBMs, including the PBMs that currently administer the ERS and TRS plans.
 - The amendment language from HB 4596 to include full rights to use an outside auditor to audit both the PBM contract and PBM-owned mail order pharmacies will be an essential tool for the state agencies to identify and achieve additional cost savings from transparency.
 - **SB 704 with all amendments will SAVE the state money and allow ERS and TRS beneficiaries to obtain 90-days supply of their maintenance medication from their local pharmacy.**