



A CAMPAIGN BY  CALIFORNIA
ACCESS COALITION
ADVOCATING FOR ACCESS TO AFFORDABLE HEALTH TREATMENT

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Rebate Reform Legislation in California to Benefit Patients Not Corporations

Senate Bill 873 will require rebate accountability protocols, reducing patient out-of-pocket costs at the pharmacy counter.

(Sacramento, CA) – Today, the California State Senate passed [Senate Bill 873](#) by Senator Steven Bradford (D-Gardena), advancing the bill to the Assembly ahead of the June 2 House of Origin deadline. The advancement of this legislation will immediately reduce California patients’ out-of-pocket costs at the pharmacy counter.

“The biggest barrier to medication access is affordability,” said Senator Steven Bradford (D-Gardena). “SB 873 truly puts ‘patients before profits’ by ensuring that 90% of negotiated prescription rebates go directly to patients at the pharmacy counter. Our coalition and I will continue to push until this vital bill becomes law and starts changing lives for the better.”

Opposition has continually pushed misleading claims that SB 873 will sharply increase premiums and would hurt patients if signed into law. The truth is that SB 873 may only narrowly increase premiums by 0.3% while saving patients more than \$70 million annually. A [report of a similar policy measure](#) found that an estimated 836,000 Californians who use brand-name or specialty medications would benefit from the bill. California’s sickest population is being penalized due to artificially inflated prescription pricing, and insurance is pocketing the profits.

“We applaud the supportive members of the Senate for standing up for patients by passing SB 873 off the Senate Floor on May 31,” said Le Ondra Clark Harvey, PhD, Executive Director of the California Access Coalition, co-sponsor of the measure. “With Indiana, West Virginia, and Arkansas having recently passed similar rebate reform legislation into law, California is on the right track to putting patients before profits.”

Additionally, opposition has been touting that their profits have continually decreased during the pandemic, but the truth is that the use of health services dropped during this time as elective procedures were canceled and many people [delayed or went without care over COVID concerns](#). Because plans charged more for premiums than care they provided during that time, they must now

[return \\$1.1 billion to eligible consumers](#). SB 873 would protect many chronically ill patients from shouldering this financial burden by ensuring them the lowest price at the pharmacy counter.

The bill has garnered praise from more than 50 health and community-based advocacy organizations, reflecting the urgent need to transform California's broken rebate system into one that is more sustainable and transparent.

"With the patient advocacy community's unwavering support of this bill, it is clear that this legislation is needed to help our state's most vulnerable patients better afford the medicines they need to not just survive, but thrive" said Erin Callahan, Chief Operating Officer of the Diabetes Patient Advocacy Coalition, a nonprofit co-sponsoring SB 873.

This bill is currently only opposed by health plans and their pharmacy middlemen, the ones who want to keep California's rebate system confusing for patients. If California joins Indiana, West Virginia, and Arkansas in passing rebate reform legislation, patients will be able to maintain their medication schedules, thereby keeping themselves healthier now and in the future, and keep more money in their pockets during these times of high inflation.

SB 873 will soon be set for a hearing by the Assembly Health Committee.

About California Access Coalition

Patients Before Profits is a campaign by the California Access Coalition (CAC). CAC is a network of local and state behavioral health organizations, patient advocacy groups, and pharmaceutical companies that advocate to eliminate barriers that keep Californians from accessing medication and behavioral health treatment. Follow CAC on [Twitter](#) and learn more by visiting www.californiaaccesscoalition.org.