



# CALIFORNIA ACCESS COALITION

ADVOCATING FOR ACCESS TO BEHAVIORAL HEALTH TREATMENT

## BOARD MEMBERS

April 10, 2020

**BARRY SCHOER**

President & CEO  
*Sanctuary Centers of  
Santa Barbara*

The Honorable Jim Wood  
Chair, Assembly Committee on Health  
State Capitol, Room 6005  
Sacramento, CA 95814

**OLIVIA LOEWY, PH.D., LMFT**

Executive Director  
*Olivia Loewy and Associates*

**SCOTT MCGUIRK**

CEO  
*South Coast  
Community Services*

## Re: Patients Need Relief at the Pharmacy Counter

Dear Assemblymember Wood:

**CYNTHIA JACKSON**

**KELARTINIAN, PH.D.**  
Executive Director  
*Heritage Clinic*

On behalf of the California patients and their families who struggle daily to pay for their medications, we are writing to express our strong support for AB 2984 (Daly) to lower prescription drug costs.

**KRISTIN COLINO**

President & CEO  
*Depression and Bipolar  
Support Alliance - California*

The California Access Coalition (CAC) is a network of local and state behavioral health organizations that advocate to eliminate barriers that prevent Californians from accessing the care they need. The coalition aims to educate policy makers on the importance of accessible and cost-effective behavioral health care. For more than two decades, the CAC has provided a forum for advocacy and discussion among nonprofit organizations, governmental groups, and pharmaceutical companies.

**FRED NOTEWARE**

Partner  
*Noteware Government  
Relations*

**KASSY PERRY**

President & CEO  
*Perry Communications Group*

In recent years, the State Legislature has successfully passed legislation to provide protections for many patients, such as co-pay caps, yet patients, especially those with high deductible health insurance plans, are still suffering from high out of pocket costs. Many Californians arrive at the pharmacy counter and find that they owe hundreds, or even thousands of dollars despite the fact that they have health insurance. And when patients cannot afford their medicines, they may walk away from the pharmacy without their medicines, or even ration medicines, putting them at risk for health complications and hospitalization. In 2017, 69 percent of commercially insured patients did not fill their new prescriptions when they had to pay more than \$250 out of pocket; this is especially troubling because patients with high deductible plans are not protected by the \$250 co-pay cap law.

**CATHERINA ISIDRO**

Executive Director  
*Forensic Mental Health  
Association of California*

**DIANE VAN MAREN,  
MPA & MA IN SPECIAL  
EDUCATION**

Owner  
*Diane E. Van Maren Consulting*

The patient affordability crisis is being exacerbated by the coronavirus (COVID-19) pandemic. Patients who cannot take their medications due to high costs are at a significant risk of getting sicker and becoming more susceptible to a severe case of COVID-19. Aside from needing to protect our most vulnerable patients, now, more than ever, hospitals are in no position to be taking on patients who could remain healthy if they had affordable

**ELIZABETH ESTES**

Founder  
*Breaking Barriers*

**DAVID LLOYD**

Senior Policy Advisor  
*The Kennedy Forum*

**LE ONDRA CLARK HARVEY,  
PH.D.**

Executive Director  
*California Access Coalition*

access to the medications they need. In addition to health concerns, many families are on the brink of financial collapse due to the economic fall-out of the pandemic. Patients need as much help at the pharmacy counter as they can get right now.

We can ease financial hardship by passing AB 2984 to reform our unfair drug rebate program. Currently, pharmacy benefit managers (PBMs) - who contract with health insurance plans to manage their prescription drug programs - negotiate with drug manufacturers for rebates on the cost of their medications, in return for certain placement of those medications on the health plan's drug formulary. For example, if the list price of a medicine is \$300, the PBM may negotiate a \$100 rebate when the drug is purchased in bulk for beneficiaries. Unfortunately, unlike traditional consumer rebates, patients do not receive any part of that \$100 rebate. Instead, the rebate is shared between the PBM and the insurance company.

Furthermore, when patients with large deductibles and cost sharing plans pay for these medications at the pharmacy counter, they are paying based on the list price of the drug, and not the lower after-rebate price. This means that PBM middlemen and insurers get a price break, but patients do not, which is a vulnerability in the drug supply chain that harms patients.

PBMs and insurance companies directly profit from these rebates. A recent report from the Department of Managed Healthcare found health plans in California received over \$1 billion in rebates from manufacturers in 2018, up over 14 percent from 2017. And in 2019 alone, PBMs negotiated \$89.5 billion in rebates overall – with not a dime of that money going to offset the high cost of medications for patients at the pharmacy counter. The assistance that patients need to make drugs more affordable already exists in the system, and AB 2984 can make a positive change for patients.

To remedy this unfair drug rebate system, we are asking you to support pharmaceutical rebate reforms through AB 2984 that will ensure that at least 90 percent of drug rebates go to offset the cost of medications for patients. No one struggling with an acute, chronic, or genetic illness should have to choose whether they will buy food or pay for their medications while PBMs and insurance companies walk away with billions of dollars in drug rebate money.

We hope that you will support these reforms immediately and help ensure that more patients have access to and can afford the medications they need to keep them well. Thank you for your consideration. We are available to discuss this issue at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Le Ondra Clark Harvey".

Le Ondra Clark Harvey, Ph.D.  
Executive Director

Amanda Nelson  
Executive Director  
Albie Aware, Inc.

C.J. Page  
Executive Director  
Community Health Action Network

Elizabeth Savage  
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Lupus Foundation of Southern California

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Let's Kick ASS – AIDS Survivor Syndrome

Ernesta Wright  
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Julian Canete  
Executive Director  
California Hispanic Chamber of Commerce

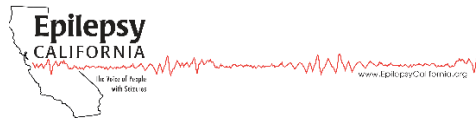
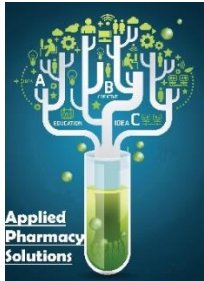
Carolynn Martin  
Executive Director  
Los Angeles Wellness Station

Richard Zaldivar  
Founder  
The Wall Las Memorias Project

Reverend Tammie Denyse  
Co-Founder & President  
Carrie's TOUCH



**American Liver Foundation**  
*Your Liver. Your Life.*



**California Health Collaborative**



**CALIFORNIA HISPANIC CHAMBERS OF COMMERCE**

