

PATIENTS **BEFORE** PROFITS

REFORMING RX REBATES

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

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Disappointment for Patients as Rebate Reform Legislation is Held in California's Assembly Appropriations Committee

(SACRAMENTO, CA) – Despite the support of nearly 60 patient advocacy, health care, and community-based organizations for [Senate Bill 873](#), a vital piece of legislation to reduce out-of-pocket costs for prescription medicines, co-sponsors of the measure today announced it was held in the Assembly Appropriations Committee on Friday, September 1. Authored by Senator Steven Bradford (D-Gardena) and co-sponsored by the California Access Coalition, the Diabetes Patient Advocacy Coalition, and the Patient Pocket Protector Coalition, SB 873 would have reformed the state's broken prescription drug rebate system to bring much-needed relief to Californians at the pharmacy counter.

"I am deeply disappointed that the Assembly Appropriations Committee did not pass SB 873," said Senator Bradford. "The committee's decision clearly reflects a greater commitment to corporate greed, than to affordable patient care that we all claim we are fighting for. In virtually every other scenario, consumers benefit from negotiated rebates, so why isn't this the case for prescription medications? We must continue our efforts to reform this system so patients benefit, not health insurance plans and their pharmacy benefit managers."

Health insurance companies and pharmacy benefit managers (PBMs) use rebates as leverage in determining where a prescription medication is placed on a health plan's formulary. The price these entities pay after rebates is often significantly lower than the "list price" of the medicine – the price a patient pays at the pharmacy counter. A report from the [California Department of Managed Health Care](#) showed that rebates totaled \$1.7 billion in 2021, up more than 60% from 2017, and a [2020 white paper](#) reported that rising rebates demanded by PBMs are associated with rising list prices for prescription drugs. If passed, SB 873 would have required health insurance plans and their pharmacy middlemen to share at least 90% of negotiated rebates with patients at the point-of-sale, thereby lowering out-of-pocket costs and improving medication adherence rates.

"We know all too well that patients face rising costs at the pharmacy counter. For people who rely on insulin or other lifesaving and life-sustaining medications, prescription affordability is literally a matter of life or death," said Erin Callahan, Chief Operating Officer of the Diabetes Patient Advocacy Coalition.

“Claims by health insurers and PBMs that SB 873 would cause health insurance premiums to skyrocket are intentionally misleading, and claims that the policy could not be implemented are blatantly false. Not only have other states passed rebate reform, several health insurance plans and their PBMs have even started sharing rebates with patients at the pharmacy counter to reduce out-of-pocket costs and improve care for their most favored customers.”

In 2021, West Virginia signed into law [House Bill 2263](#), which required 100% of negotiated rebates to be shared with patients at the point-of-sale. With [recent rate filings out of the state indicating no substantial increases in premiums](#) outside of the national average, there is no reason California should not join West Virginia, Arkansas, and Indiana in passing rebate reform legislation to reduce out-of-pocket costs for patients at the pharmacy counter. In fact, West Virginia’s rate filings show that premiums decreased after the implementation of HB 2263.

“After consulting with the West Virginia Office of the Insurance Commissioner, it’s clear that implementation is possible,” said Le Ondra Clark Harvey, PhD, Executive Director of the California Access Coalition. “While it’s unfortunate we couldn’t pass legislation this year to save consumers money at the pharmacy counter, I want to thank our author, Senator Bradford, for his tireless commitment to this important pro-consumer policy, and our co-sponsors for their advocacy. We remain committed to seeing through the implementation of this policy and making a tangible difference in the lives of patients across the state.”

About California Access Coalition

The California Access Coalition (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.

About Diabetes Patient Advocacy Coalition

The Diabetes Patient Advocacy Coalition (DPAC), a 501(c)4 organization, is a grassroots alliance of thousands of people with diabetes, caregivers, patient advocates, health professionals, disease organizations and companies working collaboratively to promote and support public policy initiatives to improve the health of people with diabetes. Learn more by visiting www.diabetespac.org

About Patient Pocket Protector Coalition:

The Patient Pocket Protector Coalition (PPPC) is a diverse group of chronic illness advocacy groups and stakeholders that is focused on addressing Pharmacy Benefit manager (PBM) rebate reform to protect the pockets of patients burdened with the high cost of managing their health every day. Membership is open to any advocacy group looking to lower costs for Americans living with chronic illness. Learn more by visiting www.patientpocketprotector.org.