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April 19, 2022

The Honorable Dr. Richard Pan
1021 O Street, Room 3310
Sacramento, CA 95814

RE: SB 1361 (Kamlager): Lowering Patient Costs at the Pharmacy Counter—Support

Dear Senator Pan:

On behalf of the California Access Coalition, the sponsor of SB 1361 (Kamlager): Prescription Drug Affordability, I write to express our strong support for this measure. SB 1361 is a much-needed bill that will lower patients' out-of-pocket costs for prescription drugs. As an organization working daily to improve health care access for patients throughout the state, we believe that SB 1361 is the best way to immediately help Californians afford their medications.

For more than two decades, the CAC has provided a forum for advocacy and discussion among non-profit and for-profit behavioral health organizations, patient advocacy groups, state agency/department representatives and pharmaceutical companies. The CAC educates policy makers and stakeholders about the importance of patient access to medication and behavioral health services.

Health care insurers and pharmacy middlemen, known as Pharmacy Benefit Managers (PBMs), utilize the rebate system to negotiate drug manufacturer rebates by agreeing to place the manufacturers' medications on health plan drug formularies. This broken rebate system only benefits PBMs and insurers and does nothing to lower the price patients pay for medications at the pharmacy counter. In fact, patients often end up paying more for the prescription than the PBM and insurer paid for it. Due to these high costs, thousands of Californian patients struggle to have their prescription medications filled to treat acute or chronic conditions.

SB 1361 (Kamlager) will require that insurance companies pass on at least 90 percent of rebates to patients at the pharmacy counter, helping them afford their prescriptions in a meaningful way. The California Health Benefits Review Program (CHBRP) analysis of the legislation found that California patients would see \$70.8 million in savings at the pharmacy counter if SB 1361 (Kamlager) is passed into law, leading to only a 0.3% average increase for premiums.

This bill should be approved immediately by the State Legislature and signed by Governor Newsom to provide immediate relief for vulnerable Californians and lower health care costs for all.

For these reasons, CAC supports SB 1361 and respectfully urges your signature. If there are any questions, please do not hesitate to contact me at (916) 557-1166 or lclarkharvey@cccbha.org.

Sincerely,

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

Le Ondra Clark Harvey, Ph.D.
CAC Executive Director

CC: Members, California Senate Health Committee
Teri Boughton, Principal Consultant, Senate Health Committee
Assemblymember Sydney Kamlager