March XX, 2022

The Honorable Jim Wood

1020 N Street, Room 390  
Sacramento, CA 94249

**RE: AB 2942 – Lowering Patient Costs at the Pharmacy Counter**

Dear Assemblymember Wood:

On behalf of XX, I am writing to express our strong support for **AB 2942, Prescription Drug Affordability**, 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 AB 2942 is the best chance to immediately help Californians afford their medications.

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.

AB 2942 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 AB 2942 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.

Sincerely,

NAME

TITLE

ORG

CC: Members, California Assembly Health Committee

Kristene Mapile, Principal Consultant, Assembly Health Committee

Assemblymember Tom Daly