

An act relating to pharmacy benefit management and Medicaid wholesale drug distribution

The Vermont Pharmacists Association (VPA) and the Rutland Pharmacy (RP) strongly support this version of the bill and thank the committee for its hard work and attention to these important issues. We have three language suggestions on this draft that we hope the committee will consider adopting before passage:

- 1) Re: Page 11 of 31, Lines 1-2 – if point-of-sale is presently not feasible, we still think all rebates should be used to reduce beneficiary premiums; please consider restoring that language. A PBA (like Medicaid uses), rather than a PBM, can be paid an agreed upon contractual amount allowing negotiated rebates to be fully passed on to the health benefit plan to help reduce rates for Vermonters;
- 2) Re: Page 28 of 31, Line 15, thank you for adding the Vermont Pharmacists Association to the Working Group; please change the word “Pharmacy” to “Pharmacists” in the association’s name and
- 3) Re: Page 29 of 31, Line 2, given you have deleted the dispensing fee language earlier in this draft, please consider adding a new (3) that reads “will provide for fair and adequate remuneration to pharmacists and pharmacies.”

Thank you for keeping the wholesale working group in this bill. The Department of Vermont Health Access (DVHA)’s work in 2018 on this topic was not an end, but a well-planned beginning; indeed, the Request for Information’s (RFI) goal was to secure more financial information/data to evaluate potential cost savings and other efficiencies, precisely because DVHA saw “value in continuing to explore potential opportunities with wholesalers.” [Sec.11a-Act-193-Prescription-Drug-Cost-Savings-and-Price-Transparency.pdf \(vermont.gov\)](#)

Much of the financial data sought by the RFI in 2018, thanks to your good work in Act 131, can now be shared lawfully with you and the executive branch by pharmacies like Rutland Pharmacy. Furthermore, it’s important to recognize that a wholesale acquisition/cost plus dispensing fee model is intended to be statewide, not limited solely to public books of business. Given this new data sharing opportunity, we still think the Department of Financial Regulation (DFR), given its soon-to-be regulatory authority over PBMs, could be a good fit to coordinate the Working Group (not do all the work) in this bill; however, to specify and narrow the scope and help reduce the work burden, we propose the following alternative language for your consideration in the working group section of the bill.

"The DFR shall convene a working group to identify a relevant sample of prescription drugs, or groups of recognized equivalent drugs, commonly dispensed in the State. The DFR shall collect data from necessary stakeholders to compare costs across carriers and across markets, as they relate to the NADAC reference price. The aggregate variations shall be reported to the GMCB for better understanding of the impact prescription drugs have on insurance rates prior to the Vermont Health Exchange rate review for the 2026 effective year (summer of 2025)."

Respectfully Submitted by, Theodore J. Studdert-Kennedy, J.D., M.P.H., Esq.
Otis & Kennedy, LLC
On behalf of the Vermont Pharmacists Association and Rutland Pharmacy

