

Thanks for the opportunity to speak today. You have a lot on your plate and a short window with which to work, so I don't envy the task. I do wish we had more time to go back and forth on a couple key issues.

Still, because of the tight time frame, I wanted to provide the attached language as discussed in my testimony.

The purpose generally follows my testimony outline:

- The prices of prescription medications, particularly generics, change so frequently that it would be impossible to compare the price of medications (I used amoxicillin as an example) across all network pharmacies and CVS affiliated pharmacies (including retail and mail order) to ensure that each fill each day complies with the requirements of the law. That said, we are confident that independent pharmacies are reimbursed at a higher rate than larger regional and national chains, including CVS Pharmacy.
- We would propose the committee insert "in aggregate" after "state" and "affiliate" which still achieves the same desired result.
- Additionally, the setting of a mandatory dispensing fee could have a material impact on the cost of prescriptions.
- It's my understanding that it's not uncommon for Medicaid programs to pay more in dispensing fees as a result of low reimbursement for actual drug, whereas commercial payers typically reimburse higher amounts for prescriptions and authorize a lower dispensing fee.
- In some cases, we've seen independent pharmacies asking for as much as \$10 for every drug they dispense when national chains get less than \$1.
- Need to understand the impact to CVS, but I have seen testimony that points an even higher amount under VT Medicaid, which would be simply passed on to patients.
- The committee should strike this second sentence.

Steven Larrabee
CVS Health
March 10, 2022

Proposed Amendment to H.353

Page 17, beginning Line 1
Sec. 9473(j) is amended to read:

(j) A pharmacy benefit manager shall not reimburse a pharmacy or pharmacist in this State **in the aggregate** an amount less than the amount the pharmacy benefit manager reimburses a pharmacy benefit manager affiliate **in the aggregate** for providing the same pharmacist services. The reimbursement amount shall be calculated on a per unit basis based on the generic product identifier or generic code number and shall include a professional dispensing fee that shall be not less than the professional dispensing fee established for the Vermont Medicaid program by the Department of Vermont Health Access in accordance with 42 C.F.R. Part 447.