

Dear Members of the House Committee on Health Care,

I am writing to you on behalf of our client MVP concerning the PBM bill, H.353. Specifically, I am writing you about the fact section 4 in both the House passed version of the bill and the version that is on the Senate's Notice Calendar for today prohibits insurers and their PBMs from requiring pharmacies that dispense specialty drugs be accredited above and beyond simply employing licensed pharmacists. MVP respectfully submits that this prohibition is ill advised as it jeopardizes patient safety and should therefore be removed.

Insurers and their PBMs require pharmacies that want to be reimbursed for dispensing specialty drugs be accredited by organizations like the Utilization Review Accreditation Commission (URAC), The Joint Commission (JCAHO) or the Accreditation Commission for Health Care (ACHC). All three of these accrediting bodies are independent, non-profit organizations that have created standards encouraging high-quality services and a greater level of care for patients.

Specialty pharmacies are distinct from traditional pharmacies because they coordinate many aspects of care for patients with complex, chronic conditions and help patients with rare disorders to manage more effectively their treatment, side effects, and interactions with other therapies. Accreditation holds specialty pharmacies to a higher standard of care to ensure quality services and patient safety.

Using dedicated, specialized personnel, specialty pharmacies provide patients with education and clinical support beyond traditional dispensing activities, such as:

- Round-the-clock access to health professionals specially trained in the disease treated by the drug, the specialty drug, and the drug's potential side effects;
- Physician consultations to address side effects, drug reactions, and other concerns;
- Data collection and tracking of outcomes for specific patients; and
- Managing care within FDA-required manufacturer risk evaluation and mitigation strategies (REMS) program requirements.

Further information about URAC's pharmacy credentialing standards can be found via this link: <https://www.urac.org/accreditation-cert/specialty-pharmacy/>

Further information about AHEC's pharmacy credentialing standards can be found via this link: <https://www.achc.org/pharmacy/>

Notably, the state's Medicaid program defines specialty drugs and requires pharmacies that want to dispense them to Medicaid beneficiaries be accredited. In this regard I direct your attention to page 19 (pdf page 18) of the attached Medicaid Pharmacy Provider Manual. While section 4 of H.353 would prohibit insurers and their PBMs from requiring

accreditation it exempts the Medicaid program from this prohibition. It is respectfully submitted that if the Medicaid program is going to be allowed to continue requiring that pharmacies be accredited in order to dispense specialty drugs then commercial insurers should also be allowed to do so.

Finally, I also want to bring to your attention the US District Court for the District of Vermont's March 16, 2022 decision (second attachment) in the matter Rutland Pharmacy v. MVP. In that case the plaintiff argued that MVP's specialty pharmacy credentialing requirement was a pretext for steering specialty drug business to CVS Caremark's specialty pharmacy. As will be seen from the discussion on pages 17-24 the Court disagreed with that contention and instead stated that requiring such accreditation is a legitimate consideration by an insurer in allowing a pharmacy to be reimbursed for dispensing specialty drugs.

Accordingly, it is respectfully submitted that section 4 should be revised to: (1) include a definition of specialty drugs similar to that used by the Medicaid program, and (2) allow insurers/PBMs to require that pharmacies that dispense specialty drugs (as defined) be accredited in a manner similar to what is required by the Medicaid program.

Thank you for considering this information.

Sincerely—Chuck Storrow