

Testimony of Jeff Hochberg, President Vermont Retail Druggists

Senate Committee on Health and Welfare

April 13, 2022

Honorable Sen Lyons and fellow committee members,

Thank you for the opportunity to share with the committee our views on how H 353, if passed as is*; would achieve the same goal sought in S 242.

Essentially what the committee has before it is another example of Insurers and PBMs creating contractual relations that restrict both consumers' and providers' ability to choose where care comes from. Insurers and PBMs will argue that this is done for 2 reasons: safety; and cost savings.

Safety concerns relating to healthcare are clearly governed by the licensing boards and the department of health. If at any time safety concerns arise they can be addressed by the Office of Professional Regulation and Vermont Board of Pharmacy or Board of Medical Practice. These queries are investigated. This is certainly true of Vermont Resident Pharmacies but more challenging for Non-Resident Mail Order Pharmacies.

Cost control is not necessary because of existing parity framework already present in Vermont Statute and authority to govern such ought to rest with the rate regulators.

H 353 redraws the lines that have been blurred by creative contractual language around definitions and requirements, and puts power back into the hands of the patients/consumers.

*VRD does strongly urge the Committee to amend the language to include original provisions specifically: requiring PBMs to include a reasonable dispensing fee.

Jeff Hochberg