

I am Lauren Bode, a pharmacist and interim executive director of the Vermont Pharmacists Association. I am very grateful to have the opportunity to address the committee today and grateful for the continued discussion of this extremely important topic. I am not a pharmacy owner, nor am I a dispensing pharmacist, so I have no monetary stake in the outcome of this bill. However, as a provider in a family medicine clinic who cares for people with diabetes, I see patients caught in this system every day. To be specific, I want to tell you about the four patients I saw last Wednesday morning, who I will briefly introduce you to under different names.

- My first patient Gary was told by his insurance company that he had to switch to mail order prescriptions, but that they could be bubble packed. The mail order pharmacy and it is the subsidiary pharmacy of the PBM that his insurance company contracts with. They do not provide these services. After discussing his insurance and preferences, I got him set up with bubble packs and delivery from Rutland Pharmacy.
- The second patient Diana, has a hard time leaving the house because of her medical issues and the fact that she takes care of her grandson who has special needs. Luckily, she has Medicaid, so she can choose a local chain pharmacy that delivers to her home.
- The third patient I saw, Nina, grieves the death of her husband, and struggles with taking her medication. When we talked through ideas and strategies, she lit up when I mentioned doing something like bubble packs. She preferred to get hers nearby, so we got her set up to go to Freedom Pharmacy.
- And my last patient of the morning Rosemary, is blocked from filling at the pharmacy in the rural community where she lives and must travel 25 minutes to the nearest chain pharmacy to fill her medications or receive them by mail, which she worries about because it takes too long for medications to get to her.

This was a pretty typical day, in which I and my patients spend a lot of time and energy working around the PBMs to get care, a system in which the only way I can get the care my patients need is by partnering with our local community pharmacies. Community pharmacies that are not going to be able to hold on much longer. There has been an independent pharmacy closure

every year I have lived in Vermont. None of them in areas that could afford to lose a trusted access point for health care, not before the pandemic and certainly not now.

You will hear from two owners today, about how PBMs are making it very, very difficult to care for patients and I encourage you to remember that they are business owners, yes, but they are members of this community first. You will hear that this bill would substantially increase health care costs. The data do not support this conclusion. In places where PBM regulation legislation has passed over the period of 2015-2019, health insurance premiums increased at rates below the national average. You'll hear opponents say that they only have the interests of Vermonters in mind. If that is true, then being transparent about what they are actually doing should not be so objectionable. They'll say that they are focused on increasing the quality of care and reducing health care costs. If that is true, then let them prove it in a transparent and responsible system that this bill would create. The reality is that PBMs are relying on this current lack of transparency to act with without oversight and solely according to their own business interests.

Furthermore, we have an excellent example of a good actor in our Vermont Medicaid program that operates with transparency and fairness to patients and pharmacies. This is why years ago they moved away from operating with a PBM and instead chose a more equitable AND cost-efficient model, using a pharmacy benefits administrator instead.

Much has been made about the complexity of this bill, implying that it is something beyond the scope of the legislature to be able to address. I do not dispute that these are complex topics, but I do dispute is that this legislation is in any way precipitous. This bill that is before you is the result of years of careful thought and consideration by national and state-level experts.

Provisions included have been upheld by the US Supreme Court twice, relies on model language carefully crafted by the professionals of the National Association of Insurance Commissioners.

On the House side we heard from the Department of Financial Regulation that the legislation as introduced is a holistic approach to the problems we are currently facing. Without effective regulation, PBMs will continue to act only in their own interest not in the interests of

Vermonters. I would ask that we continue now down this path to safeguard and expand protections for my patients, your constituents, and for all of us as Vermonters.