



**ALLIANCE of
Independent
Pharmacists
of TEXAS**

The Voice of Independent Community and Compounding Pharmacists in Texas

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Pharmacy Leaders. Transforming Patient Care.

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VOTE YES

SB 2261/HB 2231 by Kolkhorst/Oliverson

Protecting Patients & Pharmacies from PBM Business Practices

An uneven playing field shortchanges local pharmacists and creates barriers to the physician-patient relationship. Pharmacy Benefit Managers' (PBMs) anticompetitive business practices hinder patients' access to much needed medication and threaten the continued viability of community pharmacy.

Community pharmacy is under attack due to predatory business practices and low reimbursements that increasingly fail to cover the costs to acquire the medications pharmacists dispense. These practices artificially drive up the costs of prescription drugs for consumers, and frequently put PBM profits above improved patient outcomes.

Out-of-state PBMs' current reimbursement structure lacks transparency, and is needlessly complex and unfair to pharmacies, patients, and taxpayers.

Texas pharmacies support legislation that would provide reasonable protections for patients who receive prescription drug benefits through a commercial health plan subject to Texas Department of Insurance oversight similar to other providers in the supply chain.

The proposed legislation would create:

Transparency

- Provides transparency in prescription drug pricing and ensures contracts adequately describe how reimbursements will be calculated
- Requires PBMs to disclose information regarding rebates and financial conflicts-of-interest to plan sponsors

Oversight

- Lowers out-of-pocket costs for patients by ensuring rebates are credited at the point-of-sale, and prohibits PBMs from charging patients more in co-pays or co-insurance than the actual cost of the drug
- Limits the assessment of hidden fees and unreasonable audit practices that result in higher costs to patients

Protections

- Provides pharmacies with protections already extended to other providers under the Texas Insurance Code, such as requiring consent of a pharmacy when certain contractual rights are transferred to another party
- Allows pharmacies access to participate in PBM networks and contracts, and provides contract transparency regarding the various lines of business administered by a PBM similar to other providers