



601 Pennsylvania Avenue, NW T 202.778.3200
South Building, Suite 500 F 202.331.7487
Washington, D.C. 20004 ahip.org

June 14, 2021

Commissioner Michael Conway
Chair, Regulatory Framework (B) Task Force
National Association of Insurance Commissioners
444 North Capitol Street NW, Suite 700
Washington, DC 20001-1512

Forwarded via email: Jolie H. Matthews

RE: AHIP Comments on the Draft Pharmacy Benefit Manager Regulatory Issues (B) Subgroup
2021 Charge

Dear Chairman Conway;

AHIP appreciates the opportunity to provide comments on the Draft Pharmacy Benefit Manager Regulatory Issues (B) Subgroup 2021 Charge to develop a White Paper.

On August 15, 2019, AHIP had the opportunity to present to the PBM Subgroup Task Force. During that presentation, AHIP provided an overview of the drug supply chain and stressed the importance of focusing on high-priced drugs, their impact on consumers, and evaluating the entire drug supply chain, not just one stakeholder. While insurance regulators may have limited oversight, a White Paper provides an opportunity to gain additional insight on the various issues that may be a barrier to solutions that truly address high drug prices for Americans.

Policymakers continue to have questions on issues that affect consumers' spending on drugs, such as MAC, list prices, shortages, rebates, and the roles of pharmacy service administrative organizations (PSAOs), PBMs, and others. To that end, AHIP supports a White Paper that explains how a drug is priced by the pharmaceutical manufacturer, negotiated by PBMs or health plans, distributed by wholesalers and distributors, and finally dispensed by pharmacies – all focused on how those transactions impact what the consumer pays.

While the draft 2021 White Paper charge focuses on reimbursements with pharmacists, AHIP encourages the Subgroup to consider expanding the scope to review all supply chain entities and the role they play in the provision of affordable prescription drug benefits. In 2020, Maryland passed HB 978, a PSAO transparency bill requiring state licensure and allowing the Commissioner to conduct examinations. The legislation illustrates steps states can take to conduct a more thorough, holistic review of the drug supply chain and better understand all aspects of drug pricing.

June 14, 2021
Page 2

- **AHIP recommends widening the scope of the draft 2021 white paper charge to include all stakeholders that are part of the prescription drug supply chain.**

Additionally, AHIP stands ready to support the NAIC in an analysis of the U.S. Supreme Court's *Rutledge v. PCMA* decision affirming its long-standing precedent that state laws are preempted by ERISA when they impact a core function of plan administration or directly relate to the plan.

We truly appreciate the opportunity to provide our perspective and stand ready to work with the NAIC on these very important issues.

Sincerely,



Miranda Motter, JD
Senior Vice President of State Affairs & Policy

America's Health Insurance Plans (AHIP) is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.