September 1, 2020

Commissioner Andrew Stolfi, Mr. TK Keen
Chair, Pharmacy Benefit Manager Regulatory Issues (B) Subgroup
c/o Jolie Matthews via email to jmatthews@naic.org
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

RE: NAIC Proposed Pharmacy Benefit Manager (PBM) Licensure and Regulation Model Act

Dear Commissioner Stolfi and Mr. Keen:

We are writing to provide comments regarding the proposed “Pharmacy Benefit Manager Licensure and Regulation Model Act” that was released for public comment by the NAIC’s PBM Issues (B) Subgroup on July 16, 2020. CVS Health appreciates that the PBM Working Group started this process by hearing from a wide array of stakeholders to gather more information and look forward to working towards a model act that is consistent with the charge given to the Working Group.

CVS Health is dedicated to becoming the most consumer-centric health company in the world. We’re evolving based on changing consumer needs and meeting people where they are, whether in the community at one of our nearly 10,000 local touchpoints, in the home, or in the palm of their hand. Our newest offerings – from HealthHUB® locations that are redefining what a pharmacy can be, to innovative programs that help manage chronic conditions – are designed to create a higher-quality, simpler and more affordable experience. With the acquisition of Aetna, we are also building a new health care model that is easier to use, less expensive and puts the consumer at the center of their care.

PBMs administer prescription drug benefits for more than 266 million Americans on behalf of a variety of plan sponsors – including health plans, employers, unions, and government programs like Medicare Part D and Medicaid.1 PBMs carefully design a variety of benefit options to best meet the unique needs of each plan sponsor and the members they serve. PBMs remove costs from the health care system and are projected to save their plan sponsor clients and members $654 billion – up to 30 percent – on drug costs over the next decade compared to programs that make little use of proven PBM tools.2

Plan sponsors rely on PBMs to assemble network options that provide convenient access to pharmacists and pharmacy services, negotiate the lowest possible net price from drug manufacturers, and provide a portfolio of clinical programs and services that help ensure positive health outcomes and secure overall value for the sponsors and their members. PBMs offer a variety of tools to encourage the best clinical outcomes for patients. These include drug utilization review and disease management programs, which are designed to improve medication adherence and health outcomes. For example, PBMs improve drug therapy and patient adherence in diabetes patients, helping to prevent 480,000 heart failures, 230,000 incidents of kidney

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1 PCMA, Visante, Pharmacy Benefit Managers (PBMs): Generating Savings for Plan Sponsors and Consumers, February 2016.
2 Ibid.
disease, 180,000 strokes, and 8,000 amputations annually.\textsuperscript{3} These services have incredible value in coordinating care across the health care continuum to help patients manage their conditions and have access to quality providers and affordable services.

We believe that the NAIC should approach this PBM model act with a holistic view, similar to how it has previously looked at coordinated care models. Consumers benefit from coordinated quality health care. PBMs play an important role in the health care system and it’s critical to understand that all the tools that PBMs provide to their clients are used to help improve patient outcomes and lower overall costs for consumers. Restrictions in the use of these tools will tie the hands of plan sponsors and government agencies and has the potential to negatively impact the ability to design an affordable and accessible pharmacy benefit.

CVS Health is supportive of the NAIC creating a uniform licensing process for PBMs. A number of states already have PBM licensure or registration in law, but consistency among the states would be helpful for both regulators and the PBMs that apply for the license. Section 5 seeks to accomplish this goal and meets the charge given to the Working Group.

With regard to the remaining sections of the proposed model act, we echo the concerns detailed in the letters submitted by the Pharmaceutical Care Management Association (PCMA) and America’s Health Insurance Plans (AHIP).

We appreciate your time and consideration and look forward to working with you on a PBM licensure model act.

Respectfully,

Leanne Gassaway
Vice President, State Government Affairs
CVS Health

\textsuperscript{3} PCMA, Visante, \textit{The Return on Investment (ROI) on PBM Services}, November 2016.