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Commissioner Andrew Stolfi, Mr. TK Keen
Chairs, Pharmacy Benefit Manager Regulatory Issues (B) Subgroup
c/o Jolie Matthews via email to jmattews@naic.org
National Association of Insurance Commissioners
444 North Capital Street NW, Suite 700
Washington, DC 20001-1512

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

Dear Commissioner Stolfi and Mr. Keen:

Cigna appreciates the opportunity to provide comments to the NAIC PBM Regulatory Issues Subgroup regarding the PBM Licensure and Regulation Model Act. We recognize regulators' need to gain a better understanding of who is operating in their markets for consumer protection purposes and we support the NAIC's effort to work toward consistency by developing a PBM licensure and regulation model act that all states can adopt.

Cigna Corporation, together with its subsidiaries (either individually or collectively referred to as "Cigna"), is a global health service organization dedicated to helping people improve their health, well-being, and peace of mind. Our subsidiaries are major providers of medical, pharmacy, dental, disability, life and accident insurance, and related products and services, with over 180 million customer relationships in the more than 30 countries and jurisdictions in which we operate. Worldwide, we offer peace of mind and a sense of security to our customers seeking protection for themselves and their families at critical points in their lives.

Within the U.S., Cigna provides medical coverage to approximately 14 million Americans in the commercial segment. We also provide coverage in the individual insurance segment in several states, both on- and off-Exchange, to about 280,000 people. Additionally, Cigna, together with our Express Scripts PBM business unit, serves more than 4 million people through our Medicare Advantage, Medicare Prescription Drug Program and Medicare Supplemental products.

PBM's play a critical role keeping the cost of healthcare affordable for plan sponsors. As the Subgroup discusses the draft model, we feel it's important to stress the fact that health plans and other plan sponsors voluntarily contract with PBMs because we and/or they find and attain incredible substantial value in the services provided to customers. These services result in lower costs for consumers and a higher quality of customer care that improves patient outcomes.

For example, our programs, solutions and tools not only help plan sponsors successfully manage their drug spend, but also help improve members' health and well-being. Among the comprehensive services we offer as a global health service organization; our home delivery and specialty pharmacies provide essential care to patients. Home delivery provides maintenance medications straight to members' homes, which has many advantages, including greater adherence, time savings and often lower costs to both

members and plan sponsors. Through our specialty pharmacy subsidiary Accredo®, patients with serious diseases such as cancer, hepatitis C, and HIV get personalized attention and support with their medications. In addition to home delivery and specialty pharmacy services, PBM's also utilize other tools proven to lower drug spend and improve clinical outcomes. We:

- Encourage the use of generics and affordable brand medications
- Pool purchasing power to negotiate substantial price concessions from pharmaceutical manufacturers which results in lower benefit costs
- Build networks (of more than 60,000 retail pharmacies) to provide members convenient access to prescriptions at discounted rates
- Use panels of independent physicians, pharmacists, and other experts to develop formularies that encourage clinically appropriate and cost-effective prescribing
- Use a variety of tools such as drug utilization review and disease management that promote the best clinical outcomes for those individuals with coverage through plan sponsors
- Monitor prescription safety across all of the network pharmacies, alerting pharmacists to potential drug interactions even when patients use multiple pharmacies

Health plans, employers and plan sponsors contract with PBMs to negotiate with pharmaceutical manufacturers that set drug prices, which currently represent the highest segment of health care spending. There is no other participant in the health care ecosystem that provides as meaningful an impact on drug pricing. In 2019, our PBM focused on patient care and delivered better health and savings for patients and plans, as reported in the Express Scripts Drug Trend Report[1] where we:

- Saved clients $49.5 billion in clinical solutions
- Kept the overall rate of increase in drug spending to just 2.3%, in line with the Consumer Price Index
- Drove a decrease in drug spending for 37% of our commercial plans
- Helped reduce drug spending by 4.8% for managed commercial plans
- Held average member out of pocket costs for a 30-day Rx to $11.75, just a 19 cent or 1.6% increase from 2018, despite a 5.2% increase in list prices for brand drugs

Express Scripts' data also demonstrates how patient care was enhanced. [2] In 2019, Express Scripts:

- Realized a 57% reduction in average days' supply per claim for first-time opioid users in plans enrolled in its Advanced Opioid Management (AOM) Program
- Prevented 1.9 million days' worth of opioid medications from being dispensed
- Identified 1.8 million interventions for at-risk people taking opioids, including consultations with neuroscience specialist pharmacists
- Discovered 33% more patients were adherent to asthma controller medication when engaged with pulmonary remote monitoring in 2019
- Recognized a 10% decline in average blood glucose levels among patients with high levels when engaged in diabetes remote monitoring

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[1] https://www.express-scripts.com/corporate/drug-trend-report
[2] https://www.express-scripts.com/corporate/drug-trend-report

Plan sponsors continue to contract with PBM's because they rely on the expert services provided to help improve patient outcomes and lower overall costs.

To that end, we reaffirm the concerns that America's Health Insurance Plans (AHIP) and Pharmaceutical Care Management Association (PCMA) detailed in their respective comment letters. We hope this Subgroup adopts a PBM licensing and regulation model that is conscious of and guards against the unintentional consequences of over-regulating PBMs, and complements the work already done in Model 22.

Sincerely,

Franca D'Agostino
Director, State Regulatory Affairs