

August 31, 2026

Submitted Electronically via jtouschner@naic.org

RE: Comments on Direct-to-Consumer Drug Platforms

Dear Direct-to-Consumer Drug Platforms Workgroup,

On behalf of Navitus Health Solutions LLC (“Navitus”) and Lumicera Health Services, we want to thank you for your group’s work on such an important topic as Health Care Affordability.

We appreciate the extensive research and analysis undertaken by the group to inform regulators and policymakers about the various state-led initiatives implemented in recent years to improve drug affordability.

Health care operates within a uniquely complex ecosystem, where consumers must weigh a variety of factors when making decisions about their coverage, care, and overall health needs. As policymakers seek solutions to address affordability challenges, it is important to recognize the evolving expectations of consumers and the dynamic nature of the health care marketplace.

The brief highlights many of the significant challenges facing our nation’s health care system and underscores the importance of advancing policies that improve affordability and access for patients. Achieving these goals will require thoughtful innovation in how health care products and services are delivered, including approaches that extend beyond traditional models of care. Encouraging competition and promoting transparency can empower consumers to make more informed decisions, particularly as they gain greater access to information and resources than ever before.

In that spirit, we respectfully submit the following comments and recommendations for your consideration. We appreciate the opportunity to provide input on this important discussion and look forward to continued engagement on efforts to strengthen affordability, access, and consumer choice in health care.

Our Story

By way of background, Navitus is a transparent pass-through pharmacy benefit manager (PBM) formed more than two decades ago as an alternative to the traditional PBM model. We serve clients across a wide range of health plan products including commercial/employer, individual, small group, Medicare, and Medicaid plans. We focus on removing excessive costs from the prescription pharmaceutical supply chain and making medications more affordable to the people we serve and their employers/plan sponsors. Navitus achieves this through a model that has always passed rebates directly to our customers and strives for lower net cost pharmaceuticals.

As a transparent, pass-through PBM, Navitus is committed to advancing policies that promote clarity, transparency, and affordability in prescription drug benefits.

Lumicera Health Services LLC (“Lumicera”) was established in 2014 at the request of our Navitus clients. Lumicera is the nation’s only cost-plus specialty pharmacy, charging plans what we pay for the medication, plus a fixed patient management fee and shipping fee. Although our parent company LighthouseRx also owns Navitus, our clients are never required to use Lumicera, and only about 30% of our business comes from Navitus-affiliated clients.

Direct-to-Consumer Pathways

As outlined in the brief, three primary direct-to-consumer (DTC) prescription drug purchasing pathways have emerged in recent years: discount card programs, manufacturer assistance programs, and direct-to-consumer pharmacy platforms. Understanding how these pathways interact with health insurance coverage and their broader impact on affordability is essential as policymakers evaluate strategies to reduce health care costs and improve access to medications.

Discount card programs can provide meaningful savings for consumers, particularly for individuals whose insurance coverage leaves them with significant out-of-pocket prescription costs. These programs can also increase pharmacy utilization by directing patients to participate with providers. However, in most cases, payments made through discount card programs do not count toward a patient’s deductible or annual out-of-pocket maximum. As a result, insured individuals may experience lower immediate prescription costs while still bearing the full burden of meeting their health plan cost-sharing obligations. Policymakers should consider mechanisms that allow prescription drug expenditures, regardless of the purchasing pathway, to be applied toward a patient’s deductible and out-of-pocket accumulators, provided that such medications are covered under their health plan and other terms and conditions apply. Furthermore, significant discounting raises important questions regarding drug pricing transparency and the extent to which negotiated prices accurately reflect underlying market costs.

Manufacturer assistance programs play an important role in helping patients access necessary medications, particularly individuals who are underinsured. These programs can reduce financial barriers to treatment and improve medication adherence. However, as noted in the brief, these programs are generally not targeted exclusively to patients facing the greatest financial challenges, nor do the associated out-of-pocket expenditures typically count toward deductibles or annual out-of-pocket maximums. While these programs provide valuable short-term relief, their impact on overall affordability remains limited if they do not contribute to a patient’s broader financial obligations under their health coverage. It is important to note that patients who lack coverage are not generally eligible for manufacturer assistance. Further, Medicare and Medicaid patients are not permitted to access assistance programs as they are viewed as an illegal inducement.

Direct-to-consumer pharmacy platforms offer an increasingly popular alternative by allowing consumers to compare and purchase medications outside traditional

insurance channels. These platforms can provide greater pricing transparency and enable consumers to identify lower-cost options when their insurance coverage is unavailable or insufficient. However, because these transactions often occur outside the health plan and pharmacy benefit manager (PBM) ecosystem, neither entity may have visibility into the purchase. Consequently, these expenditures generally do not count toward deductibles or out-of-pocket maximums, limiting the long-term affordability benefits for consumers.

Considerations

Each of these pathways serves an important purpose within the health care marketplace:

- **Discount card programs** provide consumers with access to negotiated pricing arrangements and can deliver immediate savings at the point of sale.
- **Manufacturer assistance programs** help reduce financial barriers to essential medications and support access for uninsured and underinsured populations.
- **Direct-to-consumer pharmacy platforms**, empower consumers to become more active participants in managing their prescription drug costs by providing transparent pricing and alternative purchasing options.

While these approaches provide valuable options for consumers, they collectively address only a portion of the affordability challenges facing patients today. None fully resolves the difficult choices many individuals must make between filling a prescription, paying household expenses, or meeting other financial obligations. To maximize their impact, savings realized through any purchasing channel should contribute to a patient's overall health care spending obligations. Patient safety may be compromised when the pharmacy is bypassed because no single provider or location may have complete visibility into a patient's full course of treatment. As a result, the risk of contraindications, drug interactions, and other medication-related safety concerns may be increased.

Improving medication affordability is directly linked to better adherence, improved health outcomes, and reduced long-term health care costs. Patients who can consistently access and afford their medications are more likely to manage chronic conditions effectively, reducing avoidable complications and improving overall population health.

The working group should also consider that meaningful affordability reform begins with greater transparency throughout the pharmaceutical supply chain. Increased visibility into wholesaler pricing, pharmacy rebates, fees, and distribution costs can foster greater competition and enable consumers, purchasers, and policymakers to make more informed decisions. A more transparent health care ecosystem has the potential to place downward pressure on prescription drug costs while encouraging innovation and the development of additional consumer-focused purchasing options.

Finally, utilization and outcome data should be examined to better understand which direct-to-consumer pathways are most effective in reducing costs and improving access.

Greater transparency and awareness of available options can increase consumer engagement, strengthen market competition, and ultimately reduce the financial burden faced by patients seeking access to necessary medications.

Conclusion

Meaningful and sustainable improvements in prescription drug affordability will require a comprehensive approach that extends beyond individual purchasing pathways. As noted throughout our comments, lasting change begins with greater transparency across the entire pharmaceutical supply chain, including manufacturers, wholesalers, pharmacies, pharmacy benefit managers, health plans, and other stakeholders. Increased visibility into pricing structures, negotiated arrangements, and cost drivers is essential to fostering competition, empowering consumers, and advancing policies that effectively reduce out-of-pocket costs.

While direct-to-consumer purchasing options offer valuable opportunities to improve access and provide cost savings for some patients, they should be viewed as one component of a broader strategy to address health care affordability. Ensuring that consumers benefit from greater transparency, meaningful competition, and alignment between drug spending and health plan cost-sharing obligations will be critical to achieving better outcomes for patients and the health care system as a whole.

We appreciate the opportunity to provide these comments and thank you for your consideration of the recommendations outlined above. We welcome continued engagement on these important issues and would be pleased to provide additional information or participate in future discussions as policymakers and stakeholders work to advance solutions that improve affordability, access, and consumer choice in the prescription drug marketplace.

Respectfully,

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