

**House Human Services
HB 1032
Jan. 6, 2021**

Chairman Weisz, Members of the House Human Services Committee:

My name is Daniel Weiss, Senior Executive Director, Pharmacy Benefits, Sanford Health Plan (SHP). I appreciate the opportunity to share with the committee a few comments on HB 1032 dealing with Prescription Drug Price Transparency. For your information, Sanford Health Plan provided comments during the deliberations of the Interim Health Committee and we stand in support of this legislation, as amended.

As you know, many states have passed legislation aimed at improving transparency in drug pricing and accordingly, to address the issue of skyrocketing drug prices. Sanford Health recognizes the importance of providing North Dakota consumers with affordable, access to quality health care services and treatments. Prescription drugs play an important role in the management of health, particularly for those with chronic illnesses.

HB 1032 will facilitate the disclosure of some of the data needed to address and understand why prescription drug prices are rising, and hopefully provide incentives for the distribution chain to act in a fiscally responsible way.

We are committed to working with North Dakota on the critical issue of drug price transparency and this legislation. We applaud Rep. Keiser for his ongoing efforts to help consumers and address health care costs. In that spirit, we offer the following suggestions. We believe Rep. Keiser considers these friendly amendments:

- 1) Consider adding provisions requiring wholesalers to disclose their business practices in a similar manner as the Pharmacy Benefit Manager (PBM). This will provide information and awareness of unknown discounts and rebates offered and retained by the pharmacies
- 2) Consider including in this legislation another important entity in the North Dakota prescription drug chain—Pharmacy Service Administration Organizations (PSAO). A PSAO is a contracting entity hired by pharmacies to manage their PBM contracts.

While I cannot speak to all existing relationships between PSAOs and pharmacies, in our current network, we have approximately 76% of all pharmacies contracted through these organizations. That represents 159 of the 209 network pharmacies. Where these organizations can provide critical support in contracting and negotiation, there can also be conflicts of interest due to ownership influence.

Thank you for your time and consideration. I am happy to answer any questions and provide clarification.

Respectfully submitted,
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