



Academy of
Managed Care
Pharmacy®

April 12, 2018

The Honorable James L. Seward, Chair
Senate Insurance Committee
State Street & Washington Ave,
Albany, NY 12224

RE: Assembly Bill 4306 –Synchronization of Multiple Prescriptions

Dear Senator Seward:

The Academy of Managed Care Pharmacy (AMCP) opposes provisions in Assembly Bill 4306 that require a medication synchronization program to apply a daily pro-rated cost-sharing rate to prescriptions as determined by the health care practitioner and pharmacist which would abrogate existing health plan contract terms with the parties. While AMCP supports medication synchronization as one tool that may improve adherence, AMCP also strongly supports continued industry development and implementation of these programs developed through best practices in collaboration with pharmacies, practitioners and health plans.

Assembly Bill 4306 would mandate health plan coverage of medication synchronization if a practitioner and pharmacist determine the fill is in the best interest of a member, and the member requests or agrees. A benefit is not covered by a health plan merely based on an agreement between a practitioner or pharmacist with a member; rather, a benefit is covered if it meets the criteria specified under the terms of the patient's health plan contract which is not acknowledged in the scope of the bill.

AMCP is the nation's leading professional association dedicated to increasing patient access to affordable medicines, improving health outcomes and ensuring the wise use of health care dollars. Through evidence- and value-based strategies and practices, the Academy's 8,000 pharmacists, physicians, nurses and other practitioners, including members in New York, manage medication therapies for the 270 million Americans served by health plans, pharmacy benefit management firms, emerging care models and government.

Specifically, Assembly Bill 4306 is concerning because it would impact several contractual agreements and the potential for increased costs:

- *The contract between the practitioner and the health plan:* It does not permit the practitioner to determine the patient's cost sharing nor does it allow a practitioner to enter into an agreement with the health plan's network pharmacy as to the parameters of the medication synchronization program
- *The contract between the patient and the health plan:* The patient's "contract" with the health plan is based on the employer purchased benefit package which includes, the amount of cost sharing. That cost sharing amount is one of the variables that the employer considers when purchasing the benefit package because it has an impact on the amount that the employer must pay for the benefit package. So, a patient

cannot change the terms of the benefit contract, e.g., patient cannot decide with the practitioner and the pharmacist that the medication synchronization should be covered by the health plan

- *The contract between the network pharmacy and the health plan:* The contract does not permit a third party, in this case, the practitioner to enter into an agreement to determine the parameters of the health plan's medication synchronization program. Nor does it allow the network pharmacy to determine its own dispensing fee; that is a predetermined and agreed upon amount in the pharmacy network contract. In addition to interfering with the contract between the parties referenced (health plan and patient and health plan and pharmacy), the outcome for example would require health plans to pay a pharmacy a full dispensing fee when the medication synchronization may involve the pharmacist "dispensing" one additional pill.

This legislation would void those contract terms and potentially increase administrative costs, dispensing fee costs, add costs for system changes and thus increase an employer's cost for its benefit plan.

To function properly, the medication synchronization process requires the involvement and cooperation of the patient, health plan, practitioner and the network pharmacy, and not just the practitioner or pharmacist as proposed. There are administrative and internal system adjustments that must be made by health plans to implement an effective medication synchronization program. Best practices for the medication synchronization are under development and have been tested by various industry stakeholders. While AMCP supports pharmacists' role in assessing appropriate medication therapy and dispensing systems for patients, to be a covered benefit that assessment must be in accord with the patient's health plan and the contract, with the practitioner and pharmacy.

Although, this legislation may appear to be patient centric, the reality is that the mandated provisions will have unintended and unforeseen economic consequences for patients, practitioners, network pharmacies and health plans. We do not believe that that is your intent, therefore, we urge you to amend Assembly Bill 4306 by removing the referenced mandatory provisions. We appreciate the opportunity to share our views. If you have any questions about our position, please contact AMCP's Director of Legislative Affairs, Regina Benjamin, at (703) 684-2620 or rbenjamin@amcp.org.

Sincerely,



Susan A. Cantrell, RPh, CAE
Chief Executive Officer