August 15, 2018

RE: Support AB 2863 (Nazarian) - Pharmacy: prescriptions: pharmacy benefit manager: cost.

Senate Members,

The National Psoriasis Foundation (NPF) is a non-profit organization with a mission to drive efforts to cure psoriatic disease and improve the lives of those affected. The National Psoriasis Foundation is the leading patient advocacy group for more than 8.3 million Americans and the roughly 1,383,900 California residents living with psoriasis and psoriatic arthritis. I write to you today to express our support for AB 2863, relating to protecting consumers from excess charges for prescription medication.

Psoriatic disease is associated with numerous other serious, chronic, and/or life-threatening comorbid conditions. People with psoriasis have significantly higher healthcare resource utilization and costs than the general population. High out-of-pocket costs significantly impacts a patient’s access to care. A 2017 study of data collected from NPF surveys found that although roughly 89% of patients with psoriasis or psoriatic arthritis were covered by insurance, a little over half spend more than $2,400 per year in out-of-pocket costs for their disease. In fact, 39% of patients spend more than $200 per month toward cost-sharing obligations. When facing high out-of-pocket costs, patients do not use their medications appropriately; skipping doses in order to save money or abandoning treatment altogether. According to several studies, prescription abandonment rates increase significantly when cost-sharing exceeds $100.1

AB 2863 would prohibit a contract between a health carrier or pharmacy benefit manager and a pharmacy from restricting or penalizing pharmacists from disclosing the cost of the prescription and the availability of alternative and less costly medications. This bill would allow an enrollee to be informed of all available treatment options and corresponding costs. This reasonable approach to full disclosure enables patients to treat their disease at the lowest cost.

This measure ensures patients are not paying more than their insurer when purchasing a prescription drug that is essential to maintaining their health. We thank you for attention on this important matter and support the passage of AB 2863. Should you have any questions for NPF regarding this issue please contact Brittany Duffy-Goche, State Government Relations Manager (bduffy-goche@psoriasis.org).

Sincerely,

Randy Beranek
President and CEO