Margaret Reynolds
Government Affairs Principal

March 24, 2022

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Edina, MN 55439

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TO: Members of the House Health Finance and Policy Committee
RE: House File 3280

Dear Chair Liebling and Members of the Committee,

Cigna Corporation is a global health service company dedicated to improving the health, well-being and peace of mind of those they serve. Cigna delivers choice, predictability, affordability and access to quality care through integrated capabilities and connected, personalized solutions that advance whole person health. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company, Evernorth, and Express Scripts. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products. Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 175 million customer relationships throughout the world. Cigna has 1,911 employees based here in Minnesota.

We respectfully oppose House File 3280 as it is currently drafted. While not an exhaustive list of our issues with the bill language, I would like to highlight two primary concerns: the inevitable and significant cost increase of medical benefits as well as the lack of patient safety protocols in the bill. As both a health insurer and pharmacy benefit manager with specialty pharmacies, Cigna can bring a unique perspective to the conversation.

Cost-containment

Networks are one way an insurer can help contain the ever increasing cost of healthcare on behalf of their policyholders. All plans issued in this state are filed and certified by the Minnesota Department of Commerce. Subd. 3 of the bill takes away our ability to establish a network in which we negotiate reimbursement rates with providers and pharmacies. This will undoubtedly add costs to payers. The language in Subd. 2 prohibits coverage under a pharmacy benefit and mandates it to the medical benefit. PBMs contract with pharmacies while health insurers contract with providers. It is unclear in the language of Subd. 2 and Subd. 3 how pharmacies would be reimbursed under this bill.

I'd also like to highlight that the drugs this legislation is affecting are specialty drugs. For context, 90% of the prescriptions filled are generic and account for 20% of total drug spend. Branded drugs are 10% of the prescriptions filled, while accounting for 80% of total drug spend. **Specialty drugs are a subset of branded drugs, accounting for 2% of the prescriptions filled but over half of our total drug spend, 51%.** These are very expensive drugs for a small patient population. If we are unable to negotiate prices to make these drugs affordable and accessible, the total cost of care will continue to rise at a rapid pace. Unfortunately, there is absolutely nothing in the bill to control the increased costs that will be borne by Minnesota consumers and businesses. We would respectfully ask the author ensure accessibility by limiting the provider mark-up or tying the reimbursement to wholesale acquisition cost (WAC).

Patient Safety

The advocates for this bill have talked a lot about patient safety. We, too, want to ensure patients receive their drug safely. Unfortunately, the only reference to safety in this bill is on lines 2.31-3.2 and it simply reiterates the federal supply chain standards that specialty pharmacies already comply with. In addition, specialty pharmacies are accredited by URAC, The Joint Commission, or another nationally recognized accrediting organization. In lieu of the current language, I would suggest language to ensure any provider or pharmacy handling these high-cost, high-touch drugs is also accredited by a nationally recognized organization to do so.

In no way do we want to contribute to medical waste in the health care system; it is neither safe nor cost-effective. Our specialty pharmacies have several proprietary practices to ensure patient safety and medication integrity specifically related to shipping medications. Additionally, specialty pharmacies have robust policies in place to conduct a complete medication and medical profile review and provide comprehensive therapy management for patients. This process is designed to limit potential adverse reactions and improve patient adherence and outcomes. We would suggest the author consider further language around shipment tracking details and authorized signatures for delivery, confirmation by the provider and member of date/time/location of delivery, etc. These would provide further safety measures and include the planning and preparation guardrails of the medication for distribution.

We would appreciate the opportunity to work with the author to improve this bill. By keeping cost-containment measures intact and codifying safety guardrails, we can ensure safe, accessible, affordable prescription drugs.

Sincerely,

Margaret Reynolds
Government Affairs Principal