February 5, 2025

The Honorable Jeff Barta
Committee on Industry and Business

Via Online Testimony Submission: https://ndlegis.gov/legend/committee/testimony/public-testimony/4377/?hearing=11467

RE: SB 2280: A BILL for an Act to create and enact chapter 26.1-36.12 of the North Dakota Century Code, relating to prior authorization for health and dental insurance: Oppose

Dear Chair Barta and Members of the Committee on Industry and Business:

Thank you for the opportunity to comment on SB 2280. I represent Prime Therapeutics (Prime), a pharmacy benefit manager (PBM) owned by 19 not-for-profit Blue Cross and Blue Shield Insurers, subsidiaries, or affiliates of those Insurers, including Blue Cross & Blue Shield of North Dakota. SB 2280 seeks to apply the same Prior Authorization requirements for prescription drugs as it does medical care. These are two very different kinds of care and need to be treated as such. It is for this reason, among others that Prime opposes this legislation.

Prime helps people get the medicine they need to feel better and live well by managing pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. Our company manages pharmacy claims for more than 30 million people nationally and offers clinical services for people with complex medical conditions. Our business model relies on transparency and advocating for simpler, lowest-net-cost pricing for drugs. Importantly, Prime is not focused on driving profit margins. To control costs, Prime's clients rely on our clinical expertise and drug management tools, such as Prior Authorization.

Prior Authorization programs consider safety and efficacy first
Prior authorization is an important tool that payers can use to direct patients to first-line, clinically preferred treatments while encouraging appropriate, label-compliant prescribing. These tools also help meet the payer's obligation to manage drug costs for the entire risk pool of members, which is why payers of all types, from Medicaid agencies to hospitals with their own employees, use prior authorization. However, physicians and drug manufacturers often advocate for policies that would severely limit these tools, and it is imperative for legislators and regulators to understand the value of prior authorization.

Providers and drug manufacturer advocates often claim that prior authorization criteria are arbitrary. In reality, payers and their administrators employ Pharmacy & Therapeutics (P&T) Committees made up of independent physicians and other healthcare professionals. P&T committees align their recommendations to multiple widely respected sources of clinical information about drug safety and efficacy when making recommendations about prior authorization programs, including but not limited to the American Society of Clinical Oncology (ASCO), FDA labeling, and peer-reviewed literature.

26.1-36.12-11 (Length of prior authorization) & 26.1-36.12-12 (Chronic or long-term care conditions)
The above sections completely undermine the clinical value of the Prior Authorization program. The first section relating to the length of prior authorization states, "A prior authorization is valid for six months after the date the health care provider receives the prior authorization;" this is usually justified by providers, because it is an "administrative burden for them." But from a safety and efficacy perspective, a lot can happen in six months. There are changes in a patient's health, the medication may not even be clinically recommended for a six month duration, the patient can get other prescriptions that may be contraindicated with the drug that required PA, and often, providers do not have visibility into those other drugs their patient may have been prescribed if done so by a different provider (but the PA entity does have that visibility). This is just as important for long-term

conditions, and the ask for in the chronic or long-term care condition section is for a 12-month PA approval! This is potentially dangerous to the patient and cannot be justified with alleviating the administrative burden of providers. This very same mindset is what led to the opioid epidemic.
Prime opposes this bill as written but would gladly sit down to speak on removing prescription drugs from this bill or discuss a separate process for them that keeps patient safety as the top priority.

Respectfully,

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