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House Bill No 1032 – Prescription Drug Cost Transparency

Human Services Committee – Pioneer Room

1:30 PM - Wednesday – January 6th 2021

Chairman Weisz, Members of the House Human Services Committee for the record I am Mark Hardy, PharmD, Executive Director of the North Dakota State Board of Pharmacy and I thank you for providing me the opportunity to offer testimony on HB 1032 relative to prescription drug cost transparency.

The Board of Pharmacy has been engaged with the Interim Health Care Committee on this bill draft which is now before your committee. The Board of Pharmacy certainly understands and respects the desires of many to bring transparency to prescription drug costs. We are monitoring many of the initiatives taken by other states, similar to this bill draft, to address the public and patient's concerns with the continued escalation of drug pricing. We, the Board and profession of Pharmacy, found particularly troubling, the testimony we heard during the Interim Committee on the huge amount of prescription drug costs that were attributed to rebates shared between manufacturers and Pharmacy Benefit Managers [PBMs]. The Trump Administration and Center of Medicare through the Medicaid Services has taken notice of these rebates in their recent executive orders.

The Board of Pharmacy stands ready to act on any legislation that the Legislature implements on this topic. We understand there are several more initiatives yet to be introduced surrounding drug costs. We do feel that drug pricing is and will continue to be an issue that states will struggle with trying to enact meaningful legislation as, ultimately the true reform would have to be addressed on a Federal level to achieve any meaningful change in these convoluted dynamics of the entities involved. The reality we see and hear from our pharmacists, pharmacies and, most importantly, their patients is that there continues to be escalating drug prices while the business challenges of reimbursement to a pharmacy continue to plummet, which naturally asks the question "*where is the money going*"?

We have been encouraged by much of the Federal action that has been attempted on drug pricing. However, it remains to be seen how much meaningful change actually occurs moving forward. While everyone points the finger as the various parties involved the true reality of this situation is that the patient care can be compromised when affordability is an issue.

While the Board of Pharmacy does not have a formal position on this legislation, we stand ready to work with you on any legislation we can be of assistance on.

I would be happy to answer any questions you may have and hope to be a resource to you in any way you deem appropriate.