



January 28, 2025

The Honorable Matthew Ruby, Chair House Human Services Committee
The Honorable Kathy Frelich, Vice Chair House Human Services Committee
North Dakota House Human Services Committee
North Dakota State Capitol
600 East Boulevard
Bismarck, ND 58505-0360

Re: **HB 1452 – Relating to Minimum Standards for Coverage of Antiobesity Medication**
PCMA Testimony in Opposition to HB 1452

Dear Chair Ruby, Vice Chair Frelich, and Members of the Committee:

My name is Michelle Mack, and I represent the Pharmaceutical Care Management Association, commonly referred to as PCMA. PCMA is the national trade association for pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 275 million Americans with health coverage provided by large and small employers, health insurers, labor unions, and federal and state-sponsored health programs

PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, they do so because PBMs help lower the costs of prescription drug coverage.

PCMA appreciates the opportunity to provide testimony on HB 1452, a bill that would require health insurance benefits coverage to include at least two (2) antiobesity medications. PCMA respectfully opposes HB 1452.

About 3.8 million people in the United States — four times the number two years ago — are now taking the most popular weight-loss drugs, according to the IQVIA Institute for Human Data Science, an industry data provider. The medications are injected weekly and have sticker prices as high as \$16,000 a year.



The unfettered price increases of prescription drugs puts patients at risk and health plan sponsors in the difficult position of either having to cut benefits or increase premiums, copays, and deductibles. While health plans pay the vast amount of their members' prescription drug costs, drug manufacturers' price increases have forced health plans to create new benefit designs that keep monthly premiums as low as possible—but require some members to shoulder more of the cost before their deductible is met.

Significant changes in benefit design, like those required in this bill, can affect the overall cost of a health plan and, in turn, affect consumers' premiums. Eventually, all members bear these higher costs through higher premium rates.

A competitive private market is the best way to manage drug costs and mandating coverage for plan sponsors reduces competition in the market and increases prices.

It is for these problematic provisions noted above that we must respectfully oppose HB 1452.

Thank you for your time and consideration. Please contact me should you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michelle Mack", with a stylized flourish at the end.

Michelle Mack
Senior Director, State Affairs
Phone: (202) 579-3190
Email: mmack@pcmanet.org