



January 29, 2025

The Honorable Judy Lee, Chair Senate Human Services Committee  
The Honorable Kent Weston, Vice Chair Senate Human Services Committee  
North Dakota Senate Human Services Committee  
North Dakota State Capitol  
600 East Boulevard  
Bismarck, ND 58505-0360

**Re: SB 2249 – Relating to Step Therapy Protocol Exceptions  
PCMA Testimony in Opposition to SB 2249**

Dear Chair Lee, Vice Chair Weston, 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 SB 2249, a bill that would create various step therapy protocol exceptions. PCMA respectfully opposes SB 2249.

Step therapy is a process that ensures that the patient gets the safest, most cost-effective drug by requiring the patient to try proven, more affordable therapies before drugs that cost more. Generic drugs are typically much less expensive than their brand name counterparts. The FDA indicates that prices fall when there are multiple generic competitors. When there are six or more generic competitors, prices fall by more than 95%.<sup>1</sup> Step therapy is designed to capture those savings while achieving the medically desired outcome.

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<sup>1</sup> [Estimating Cost Savings from New Generic Drug Approvals in 2018, 2019, and 2020](#). Ryan Conrad, PhD; Kristin Davis, JD; Lukas Glos, MA; William Liu, PhD. U.S. FDA. Aug. 2022. [Generic Competition and Drug Prices: New Evidence Linking Greater Generic Competition and Lower Generic Drug Prices](#). Ryan Conrad, PhD, and Randall Lutter, PhD. U.S. FDA. Dec. 2019.



According to the National Academies of Sciences, Engineering, and Medicine (NASEM): “Every plan, whether Part D or an employer-sponsored pharmacy benefit, has an exception process that permits coverage of a drug not on formulary or reduces out-of-pocket cost if a physician provides information about side effects the patient has experienced from a lower tiered drug or offers another medical reason for switching.”<sup>2</sup> This process safeguards against the use of step therapy from being too restrictive.

Plans and PBMs rely on independent Pharmacy and Therapeutics (P&T) Committees, comprised of physicians, pharmacists, and other medical professionals to develop evidence-based guidelines used in drug management programs, ensuring these controls do not impair the quality of care and safety is of utmost importance.

The language in SB 2249 is expanding upon the exceptions already in place in current law and removes a tool that puts downward pressure on the rising cost of prescription drugs. In addition, this adds more government involvement in plan design and healthcare matters.

Whether it is a large employer, or a state regulated health plan negotiating for the services offered by a PBM, they are making decisions based on a finite amount of money. The employer wants to provide the benefit package that best suits his employees and allows him to retain a productive workforce while still preserving the capital needed to operate his business. The health plan must be able to balance the cost of the benefit with the amount of premium that must be charged in order to remain competitive in the marketplace.

It is for these problematic provisions noted above that we must respectfully oppose SB 2249.

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

Sincerely,

A handwritten signature in blue ink that reads "Michelle Mack".

Michelle Mack  
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<sup>2</sup> "Making Medicines Affordable: A National Imperative." National Academies of Sciences, Engineering, and Medicine (NASEM), Nov. 2017.