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Senate Health Policy Committee
Florida State Capitol
400 S. Monroe Street
Tallahassee, FL 32399

Dear Senator,

On behalf of 156,127 members and supporters of the Council of Citizens Against Government Waste in Florida, I urge you to oppose [SB 1550](#). This legislation would create unnecessary regulatory barriers that will undermine the effectiveness of pharmacy benefit managers (PBMs) in Florida. The bill will be damaging not only to the private sector healthcare market, but also to government healthcare plans.

PBMs save money for patients by negotiating lower prices on behalf of large groups. More than [275 million Americans](#) who obtain health coverage from their employers, unions, state government plans, and other sponsors rely on PBMs to administer their prescription drug plans. PBMs save payers and patients an average of [\\$1,040](#) per person per year. PBMs use various tools like rebates, pharmacy networks, drug utilization review, formularies, specialty pharmacies, mail-order, and audits to drive down drug costs, improve quality, increase patient medication adherence, and prevent fraud.

The bill severely undermines PBMs' ability to negotiate on behalf of their customers, which will dramatically increase costs. Provisions in the bill could cost the state of Florida \$2.3 billion in excess drug spending in the first year alone and more than \$29 billion over the next 10 years.

Fiduciary mandates within SB 1550 subject PBMs to broader legal liabilities than under current law. Provisions in the bill will require increased costs for liability insurance, and this increased operating cost will be passed onto consumers, along with a reduction of available options for financial structuring agreements made with a plan's sponsor.

The provisions in the bill also impact pharmacy networks. PBMs use a variety of preferred network pharmacies, including independent, chain, mail-order, and specialty, to prioritize safety while keeping costs low. Eliminating these agreements and requiring PBMs to include all pharmacies in the plan is inconsistent with the purpose of PBMs and the agreements they make with pharmacies on behalf of their customers. Pharmacies agree to charge lower prices to receive a large share of patients from a plan; if any pharmacy can participate, the incentive to lower costs and maintain patient safety will be gone. Patients on a PBM negotiated plan have the option to go to any pharmacy they choose but are not guaranteed the lower price if it is not in a contract with their PBM preferred network.

For the above reasons, I urge you to oppose SB 1550, which would increase government intervention and control into the healthcare system and result in higher costs for prescription drugs in Florida.

Sincerely,

Tom Schatz