



April 20, 2022

The Honorable Richard Pan
Chair, California Senate Health Committee
1021 O Street, Room 3310
Sacramento, CA 95814

RE: SB 1361 – Reforming Rx Rebates

Dear Senator Pan,

On behalf of Patient Advocates United, I am writing to express our strong support for SB 1361, Reforming Rx Rebates, a much-needed bill that will lower patients' out-of-pocket costs for prescription drugs. Nonprofits associated with us are local voluntary health organizations that focus on those living with chronic health conditions. They work daily to improve health care access for patients throughout our community, we believe that SB 1361 can immediately help Californians afford their medications and add accountability and transparency to a broken system.

Health care insurers and pharmacy middlemen, known as Pharmacy Benefit Managers (PBMs), utilize the rebate system to negotiate drug manufacturer rebates by agreeing to place the manufacturers' medications on health plan drug formularies. SB 1361 will require that health insurance companies pass on at least 90% of rebates to patients at the pharmacy counter to lower prescription drug costs, helping them afford their prescriptions in a meaningful way. In addition, the bill adds much-needed accountability and transparency provisions to the rebate system to ensure PBMs aren't profiting at the expense of patients.

The current, broken rebate system only benefits PBMs and insurers and does nothing to benefit patients. In fact, patients often end up paying more for the prescription than the PBM and insurer even paid for it. Due to high costs at the pharmacy counter, thousands of Californians struggle to have their prescription medications filled to treat acute or chronic conditions. Transparency and accountability by these entities will only happen if lawmakers choose to stand with patients and shed light on the fraudulent practices that leave so many struggling to afford and maintain their medications.

This bill should be approved immediately by the State Legislature and signed by Governor Newsom to provide immediate relief for vulnerable Californians and reform a fraudulent system that only benefits health care entities rather than patients.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Suckow".

Scott Suckow
Chairperson

Patient Advocates United in San Diego County supports patients living with chronic health conditions to advocate & engage with policy makers and healthcare leaders to ensure access to quality healthcare.