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Testimony on Senate Bill 2378

A BILL to an Act to create and enact section 19-02.1 of the North Dakota Century Code, relating to clinician-administered drugs.

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I wish to share with the senators of the State of North Dakota my experience as a pharmacist and administrator in rural health care and how these experiences relate to the delivery of pharmacy services. I started as a pharmacist in Rugby, North Dakota in 2000. I have worked as a hospital and retail pharmacist, pharmacy owner, director of pharmacy, and most recently as a hospital administrator. Much of my professional life has been dedicated to providing health care to rural North Dakotans and I have a passion to assure that these patients continue to have viable access to good health care.

One of the major concerns expressed by the patients I have worked with over the years is the concern of having the freedom to choose the providers they wish to utilize for their health care needs. Most recently, this concern was raised when the Heart of America Medical Center joined a new accountable care organization. I have and will continue to work hard to assure our community has choice when it comes to the providers they utilize. This is a valid concern as these patients often have limited resources and they must be able to choose a provider that meets their needs given these limited resources.

I have the unique perspective regarding limited networks of care as a pharmacist. The pharmacy industry over the years has seen a rise in limited provider choices due to insurers narrowing the pharmacy selection available to patients. Many patients are forced to choose a mail order pharmacy over their local pharmacy provider. This limited network can serve to increase confusion and frustration for the patients. It also does not appear that these limited networks are saving money for the patients or society as a whole. From 2012 to 2022 the annual prescription drug expenditures for Medicare have

increased from $67.5 Billion to $143.2 Billion. (CMS, 2023) The narrowed networks created by the large pharmacies, pharmacy benefit managers, and insurers are not allowing for a competitive environment that would help reducing costs. Instead, these large companies are cornering the market and forcing our communities to pay more for needed medications.

One of most critical programs for vulnerable hospitals is the 340B program. This program provides significant dollars to rural hospitals allowing them to continue to provide lifesaving services to low-income patients and those living in rural communities. This is a budget neutral program when administrated correctly is very successful. However, when insurance companies are allowed to corner the medication market and removed the ability of hospitals to purchase medications these 340B dollars are no longer available to these same hospitals. Instead, the insurance company and their own mail order pharmacies are able to capture these drug rebates. In fact, a recent analysis indicated that pharmacy benefit manager-controlled pharmacies operated by Walgreens, Caremark, Express Scripts, and OptumRx have siphoned away $2.58 billion from the 340B program. (Okon, 2022) That is $2.58 billion that will not be used to help vulnerable or rural patient populations.

To further highlight the problem on allowing insurers to enforce limited access to medications in the form of mail order delivery I want to highlight the experience of a North Dakota hospital infusion center. In many cases the process set up by the insurance company requires the hospital to get prior authorization 10-15 days before initial shipment. It then takes another 3-5 days to process the order. Finally, there must be an authorization of shipment with the patient. It generally requires the hospital to contact the insurer 6-10 time during this set up process and about 8 hours of time on the phone to complete. In many cases the medication shipment is delayed or interrupted during this process. There are documented cases of treatments being delayed due to this inefficient and unnecessary process. In the end this process costs the patient in time due to rescheduled appointments and quality in delayed care. The hospital must spend more resources to accomplish this process. The insurance company makes extra profit by cornering the medication market and drug rebate, but they are not ultimately responsible for the patient.

In summary, I support the passage of this legislation as I feel that it is important to assure that our citizens have access to good care and that large out of state companies do not inhibit that access. This bill will support rural hospitals and assure us we have access to the medications we must provide to our patients. This access must be readily available under normal supply chains and not limited in order to support the bottom lines of big business. There is good reason to believe that limited drug delivery

models do not save money for the patients or the community as a whole and in fact can hamper affordable care. Good health care is important to North Dakotans, and I feel this bill will help to assure good health care continues.

Respectfully,

Erik Christenson

Reference:

CMS (2023). National Health Expenditure Data. Centers for Medicare and Medicaid Services. Retrieved on February, 5 2023. https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet

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