



President
James Vizzoni, R.Ph.

CEO
John A. Giampolo

Dir of Gov't & Public Affairs
Anthony Reznik

Government Affairs Division

Cedar Brook Corporate Center
3 Cedar Brook Drive
Cranbury, N.J. 08512
(P) 800-575-2667 / (F) 609-395-1007
E-mail: info@ipagroup.org
Web: ipa-rx.org / Twitter: @ipapharmacies

Legislative Update

To: IPA NJ Members

From: Anthony Reznik

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IPA Action Alert

NJ Assembly Bill (A4676) Introduced to Regulate PBMs

Major Initiative to Stop PBM Drug Price Gouging and Abusive Practices

Assembly Bill 4676 "Prescription Drug Patient Protection Act;" requires pharmacy benefits manager to obtain certificate of authority to operate in state. (Support)

The NJ Independent Community Pharmacy Coalition is working together on a new initiative to end PBM abuses. Recently introduced NJ Assembly bill 4676 would bring PBMs under the jurisdiction of the state and require that they obtain a certificate of authority from the NJ Department of Banking and Insurance before operating in New Jersey. PBMs are unregulated at the state or federal level even though they manage most prescription plans and negotiate drug costs with manufacturers. State regulation of PBMs will level the playing field for independent pharmacies and their patients.

For more information on A4676 go to www.njleg.state.nj.us and in the right hand corner "Bill Search" box type in A4676 & click search.

IPA New Jersey Government Affairs Legislative Updates

Senate bill 2795 Provides Insurers Access to Prescription Monitoring Program (PMP): Would provide NJ Medicaid and private insurers the ability to access PMP for the purpose of identifying whether a beneficiary is obtaining a controlled dangerous substance in a manner that may be indicative of misuse. We are working with Senator Patrick Diegnan on amendments to the bill that will prevent PBMs from using PMP as a tool to impose fines/penalties on independent pharmacies. **S2795 is currently waiting to be voted on by the NJ Senate. (Seeking Amendments)**

Senate bill 3088 Establishes Prescription Drug Review Commission: This bill establishes the Prescription Drug Review Commission which will be tasked with developing a list of critical prescription drugs for which drug manufacturers will be required to report certain information concerning development, production, and marketing costs. If the commission determines that a drug is priced excessively high in New Jersey, it will have the authority to establish a maximum price for the drug in the state. **S3088 is being referred to a committee for consideration. (Monitoring)**

NJ Assembly Holds PBM Spread Pricing Hearing: On January 30th the Assembly Insurance committee held a vote and approved Assembly bill 4338. It provided the NJ Independent Community Pharmacy Coalition another opportunity to shed some light on how hidden PBM fees increase drug costs. A4338 would require PBMs to reveal the true cost of prescription drugs to plan sponsors and the difference between how much they charge for prescription drugs and what they pay the pharmacy. PBMs reap huge profits by marking up prescription benefit claims through spread pricing. **A4338 now heads to the entire Assembly for consideration. (Support)**