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Written Testimony, RE: SB483  
Michigan Legislature  
Senate Finance, Insurance, and Consumer Protection Committee  
Committee Meeting 9/20/23

September 19, 2023

**VIA Electronic Mail**

Michigan Legislature  
Senate Finance, Insurance, and Consumer Protection Committee  
6500 Binsfield Office Building  
P.O. Box 30036  
Lansing, Michigan 48909-7536

**RE: SB483 Establishing a Prescription Drug Affordability Board neglects to require patient input or patient experience considerations; In opposition or, in the alternative, suggesting amendments affecting patient protections in process and implementation.**

Honorable Chairwoman, Senator Cavanagh, Honorable Vice Chairs, Senator Moss and Senator Huizenga, and Members of the Michigan Senate Finance, Insurance, and Consumer Protection Committee,

**About Community Access National Network (CANN):** CANN is a 27-year-old national nonprofit organization focusing on public policy issues relating to HIV/AIDS and viral hepatitis from the patient perspective. CANN's mission is to define, promote, and improve access to healthcare services and supports for people living with HIV/AIDS and/or viral hepatitis through advocacy, education, and networking.

**SB483 Does not prioritize patient input, experiences, or outcomes above other entities.**

CANN is gravely concerned about SB483 and, more generally, the speed in which several states are adopting "Prescription Drug Affordability Boards", often neglecting to require patient input on each board, patient experience in required evaluative and monitoring measures, and failing to consider the unintended, but quite predictable, consequences of these boards.

A [press release](#) outlined Governor Whitmer's priorities in lowering barriers to care and making prescription medications more accessible and affordable for patients. However, Prescription Drug Affordability Boards, as described in SB483, do not consider patient experiences with payor (health insurer and pharmacy benefit manager) practices, like prior authorizations or step-therapy or other benefit design concerns patients face (including but not limited to insufficient provider and pharmacy networks or patient steering amounting to self-dealing by "vertically integrated" companies and their associated subsidiaries). Indeed, SB483 sponsor, Senator Camilleri stated directly the intent of the bill is help families, people with disabilities and chronic conditions, and

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those with limited incomes from feeling like they're "forced to choose between the medicine they need and basic necessities." As patients ourselves, we agree with this noble effort and the necessity of reducing cost and administrative burdens on patients and our healthcare providers.

In order to achieve this goal, the means and process of getting there must center those who are supposed to benefit – patients and our families. SB483, as currently designed, fails to consider the most direct costs to patients and healthcare providers.

For these reasons, we urge members of the Senate Finance, Insurance, and Consumer Protection Committee to oppose SB483 in its current form.

If the Michigan legislature is committed to passing this legislation, please consider amendments which would re-center the activities and decisions of this board on patients and our experiences, rather than the for-profit entities which stand to benefit the most such as pharmacy benefit managers and managed care organizations. Attached, please find a summary of suggested "amendments in concept" which would move the board construction, considerations, and decision-making process, and ultimately, the outcomes of this board's decisions to benefit patients and our healthcare providers.

If the Committee or any sponsor of SB483 has any questions, CANN is ready and willing to answer at your convenience.

Yours in service,



Jen Laws  
President & CEO  
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## Prioritizing Patients - Suggested Amendments in Concept: SB483

Sec. 3 – add definition for “therapeutic alternative.” (Sec. 11, C (4) (c))

Sec. 5 – relative to board conflicts of interest; In an effort to ensure no issue of bias or conflict of interest, language should be clarified. Either strike “manufacturer or trade association for a manufacturer or otherwise” and clarify what constitutes “personal or financial interest” to include any stakeholders **OR** add “pharmacy benefit manager, health insurer”.

Secs. 5 & 9 – relative to board member affiliations or qualifications;

- Include “patient”
- Re: “The public”; specify “resident of Michigan”
- Re: “statewide organizations”; amend to “statewide or national organizations that advocates for...” in order to provide parity to labor unions, researchers, and other potential member types which might draw expertise from outside of the state of Michigan and/or from national associations, advocacy organizations included must also be able to draw expertise from outside of the state or from national associations.
- Include a member representing rare disease advocates
- Include a member with public health expertise
- Include a member associated with the Michigan Department of Public Health, Michigan Drug Assistance Program (MIDAP)
- Include a member associated with the Michigan Department of Public Health, Medicaid program

Sec. 11 – implementation; due to suggested amendments, should they be adopted and in order to provide sufficient time to complete data analysis, stakeholder input gathering, and mandated studies, consider amending implementation time to 24 months.

Sec. 11, paragraph 3 – considerations of “affordability” must be from the patient perspective and reflective of overall patient experiences;

- Add to “average patient cost share for each prescription drug product.”
  - o Market diversity and competition relative to subject prescription drug
  - o Patient experiences in healthcare navigation (particularly burdens associated with utilization management)
  - o Expected and potential impacts on patient experience and overall burdens (to include but not limited to administrative burdens associated with utilization management, narrowed pharmacy networks, and patient steering)
- Paragraph 4 – Considerations
  - o In allowable considerations, include market diversity and competition
  - o In mandated considerations, include:
    - Utilization management practices
    - Disruption of the patient-provider relationship; individualized care needs
    - Cost or administrative burdens shifting to providers and/or patients
    - Payor use of spread pricing prior to and after the event of implementing an upper payment limit
    - Provider or AIDS Drug Assistance Program use of 340B rebates
- Paragraph 5 – Considerations; insert a sections focused on measurable and monitorable patient experiences, potential cost and administrative burden shifts to patients and providers, payor estimates for premium or cost-sharing reductions as a result of UPL, impact among independent pharmacies in the instance of instituting upper payment limit, and public health considerations

Section 20. studies; In order to ensure the advisory boards and decision-making board has sufficient data and input from stakeholders and understanding of the ecosystem of care (including economic impacts and various public health funding mechanisms), studies should be mandated to conclude prior to all other board activities.

- Additional studies necessary for full consideration and prioritization of patients:
  - o Patient experiences relative to utilization management practices, pharmacy network adequacy, and patient steering
  - o Payor/PBM profit relative to various rebate programs and concessions, profit relative to enactment of an upper payment limit, expected policies and practices as a result of an upper payment limit
  - o Provider and healthcare entity experiences relative to utilization management, cost and administrative burden shifts associated with these
  - o Anticipated changes to programmatic revenues and support services for MIDAP