

## **Testimony of Karen Jonas, Pharmacist HB 4345 Right to Shop Licensure - March 10, 2021**

Committee Chair Kahle, members of the Committee, my name is Karen Jonas, a pharmacist and pharmacy consultant for the MI Assoc. of Health Plans.

I am testifying today in opposition of HB 4345. This legislation, with intent to allow consumers the ability to purchase covered prescriptions at out of network pharmacies and then receive credit towards their out-of-pocket costs, ends up not promoting good public health policy.

Real-time electronic claims processing, while the patient is at the pharmacy, verifies patient insurance coverage, if a prescription drug is covered, contract established drug payment rate, and copay or cost-sharing responsibility of the patient. In addition, real-time claims processing uses advanced data analytic capabilities and drug utilization management programs to evaluate appropriate dosing of the medication, assess drug to drug interactions, assess over-utilization of drugs and improve medication adherence. In addition, it assists in the prevention of fraud, waste and abuse by assuring reimbursement for providers who have not been excluded for receiving other payments and are properly enrolled in programs.<sup>1</sup>

If patient's shop at out-of-network pharmacies, patients would be bypassing the real-times claims processing and paying cash for prescriptions then turning in manual claims payments to the plans for reimbursement. While that in of itself doesn't sound like a problem the claim lacks that data analytic evaluation that occurs which results in potential for increased adverse medication effects, increased potential for diversion, and increased potential for fraud, waste and abuse.

This type of prescription drug shopping, bypassing point-of-sale claims processing was a primary contributor to the opioid epidemic when drug seeking patients paid cash for prescriptions to bypass the utilization management tools that would reject secondary to medication overutilization edits. Other instances of problems bypassing real-time claims processing was seen several years ago when one of the large chains promoted free medications, such as antibiotics. The pharmacies did not process those free claims initially to the plans, thus bypassing the data analytics and poor quality outcomes occurred for patients when the antibiotic lowered the efficacy of medications such as birth control or enhanced drug effects like with Warfarin and increased bleeding when clinical safety screening was circumvented.

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<sup>1</sup> <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification>

In addition to these concerns, Medicare and Medicare regulations prohibit payment to providers who have been excluded from participation. Real-time claims data analytics also scrub claims against the provider exclusion files to ensure both the prescriber and the pharmacy are appropriately enrolled for participation in federal programs. Post paper claims submissions by patients to the plans miss this valuable requirement under fraud, waste and abuse provisions.

For these major unintended consequences, we oppose HB 4345. This bill neither provides affordability for consumers nor quality care.

Thank you for the opportunity to testify. I will be happy to address any questions.