



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
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The Honorable John Carney
Governor

John A. McNeal
Director

MEMORANDUM

DATE: February 6, 2019

TO: All Members of the Delaware State Senate
and House of Representatives

FROM:  Mr. J. Todd Webb, Chairperson
State Council for Persons with Disabilities

RE: H.B. 24 (Copayment for Prescription Drugs)

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 21 which would prohibit insurers and pharmacy benefit managers from engaging in the practice of "clawbacks". When the total cost of a prescription drug to an insurer or pharmacy benefits manager is less than a patient's co-pay, the insurer or pharmacy benefits manager keeps the difference in a practice known as a "clawback". According to a March 2018 report issued by the University of Southern California's Schaeffer Center for Health Policy & Economics, based on the Center's analysis of 2013 data from a large commercial insurer combined with data on national average drug reimbursements, almost 25% of filled pharmacy prescriptions involved a patient co-payment that exceeded the average reimbursement paid by the insurer by more than \$2.00. The report further noted that overpayments were more likely to occur on claims for generic drugs than brand drugs and that the total overpayments in the Center's sample amounted to \$135 million.

SCPD endorses the proposed legislation because individuals with disabilities are disproportionately impacted by costs of prescription drugs. Therefore, Council wants to ensure that people are not paying more for their medication than they have to pay and, if there are any savings, it gets passed to the consumer.

Thank you for your consideration and please contact SCPD if you have any questions or comments regarding our observations on the proposed legislation.

cc: Ms. Laura Waterland, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council