January 12, 2015

Jolie H. Matthews  
Senior Health and Life Policy Counsel  
National Association of Insurance Commissioners  
Executive Headquarters  
Hall of the States Building, Suite 700  
444 North Capitol Street, N.W.  
Washington, DC 2001

RE: Health Benefit Plan Network Access and Adequacy Model Act – Draft 11/12/14

Dear Ms. Matthews:

The Academy of Managed Care Pharmacy (AMCP) supports the ability of health plans to offer preferred pharmacy networks for their enrollees as a way of providing additional options and cost savings without any diminishment of quality or patient access. Preferred pharmacy networks represent another important innovation and tool developed by managed care pharmacy, and, if effectively implemented, there is strong data that indicates it reduces the high cost of prescription drug coverage.\(^1\) The Academy of Managed Care Pharmacy supports the continued use of these programs as a beneficial way to maintain quality of care, access and cost effectiveness to the pharmacy benefit.

AMCP is a national professional association of pharmacists and other health care practitioners who serve society by the application of sound medication management principles and strategies to improve health care for all. The Academy’s nearly 7,000 members develop and provide a diversified range of clinical, educational and business management services and strategies on behalf of the more than 200 million Americans covered by a managed care pharmacy benefit.

There are two (2) specific areas in the Health Benefit Plan Network Access and Adequacy Model Act – Draft (Draft) that we would like to address:

- **Section 3. Definitions – Paragraphs H – “Facility”, J – “Health care professional” and K – “Health care provider.”** These definitions need to include pharmacist and pharmacy because they are providers of health care services and the pharmacy benefit is an integral part of a health benefit plan’s network. We appreciate the subgroup’s note indicating that a decision was deferred on revising the definitions until it is determined how and what manner a “pharmacy” or “pharmacist” is to be reflected in provider networks.
Section 3 – Definitions – Paragraph O – “Network Plan.” The drafting note suggests that states may want to limit the definition by regulation to include minimum network participation requirements (e.g., at least 90% of the providers in the service area may participate in the plan) and also may include by regulation maximum payment differentials (i.e., the difference between in-network and out-of-network cost sharing or the providers in the plan accept a discount of no more than 5% below reasonable and customary charges).

AMCP is opposed to this type of government intervention between private contracting parties. Provider networks are not uniform; there may be some professions where a larger percentage of providers is necessary and others where a lesser percentage is necessary. Also the number of providers included in a network has to take into consideration how many providers are in a given service area. Lastly, to set the minimum number of providers in a network and then to limit the amount of negotiated payment differentials between in and out of network providers takes away a managed care plan’s ability to structure a quality driven but cost effective plan. Health plans are best suited to determine the demographics of their members and have access to data on what types of providers their members use most often. We do not believe that a regulatory body has that level of information and therefore cannot determine what is adequate for every health plan operating in a particular state. AMCP urges you to delete this drafting note.

Finally, we believe that pharmacy and pharmacists should be included in this Draft in a section devoted to that unique benefit. Pharmacists should be recognized as health care providers and pharmacies should be recognized as health care settings. Both are invaluable to the overall provider network. We appreciate the opportunity to share our views with you on the Draft and look forward to being involved in the process. If you have additional questions, you may contact AMCP’s Vice President of Government Affairs, Lauren Fuller, at (703) 683-8416 or lfuller@amcp.org.

Sincerely,

Edith A. Rosato, R.Ph., IOM
Chief Executive Officer

1 See AMCP’s position statement, Where We Stand on Preferred Pharmacy Networks, www.amcp.org/positionstatements.