



January 30, 2025

The Honorable Todd Huston
Speaker of the House
Indiana House of Representatives
200 W Washington St
Indianapolis, IN 46204

The Honorable Rodric Bray
President Pro Tempore
Indiana Senate
200 W Washington St
Indianapolis, IN 46204

SB 503 Pharmacy benefit administration – SUPPORT

Dear Speaker Huston, President Pro Tempore Bray, and members of the Indiana General Assembly:

The American Pharmacists Association (APhA) supports [Senate Bill \(SB\) 503](#) (Sen. Zay), which will protect Indiana patients' access to their medications and their trusted healthcare professional, the pharmacist. By preserving pharmacists' crucial role in ensuring patients' access to their medications, we can ensure the people of Indiana receive the best possible healthcare.

As a result of the predatory practices of pharmacy benefit managers (PBMs), patients' access to medications from their local pharmacist across the country has declined¹, taxpayer dollars have been funneled into corporate profits², and generationally owned community pharmacies have been driven out of business.³ A study found that PBM tactics forced Oregon Medicaid to overpay \$1.9M on a single drug, where PBMs marked up the drug by 800 percent.⁴ Appropriate government oversight is necessary to address the misaligned incentives in the PBM industry that prioritizes profits over patients. SB 503 would address many of the underlying issues that harm patients, Indiana taxpayers, and pharmacists by establishing a pharmacy benefit compliance officer and transitioning the state employee health plan and Medicaid program to use a more transparent and sustainable single PBM. Comparable programs have been established in Ohio and Kentucky, with the latter reporting \$200 million in savings in the first year of implementation.⁵

Another critical focus of SB 503 is maintaining patient access to their lifesaving medications and preserving the pharmacist-patient relationship. Increasing PBM transparency and ensuring sustainable

¹ Rose J, Krishnamoorth R. Why your neighborhood community pharmacy may close. *The Hill*. Available at <https://thehill.com/blogs/congress-blog/healthcare/530477-why-your-neighborhood-community-pharmacy-may-close>

² 3 Axis Advisors. Analysis of PBM Spread Pricing in New York Medicaid Managed Care. Available at <http://www.ncpa.co/pdf/state-advoc/new-york-report.pdf>

³ Callahan C. Mom-and-pop pharmacies struggle to hang on. *Times Union*. Available at <https://www.timesunion.com/hudsonvalley/news/article/Mom-and-pop-pharmacies-struggle-to-hang-on-16187714.php>

⁴ <https://oregonpharmacy.org/2022/10/27/oregon-report/>

⁵ Milliman. Evaluation of Senate Bill 50 on the Kentucky Medicaid Managed Care Pharmacy Benefit – Report Brief. Published September 12, 2023.

reimbursement to pharmacies will help keep local community pharmacy doors open and protect access to care, particularly for populations in rural and underserved Hoosier communities.

For these reasons, we support SB 503 and respectfully request your “AYE” vote. If you have any questions or require additional information, please do not hesitate to contact E. Michael Murphy, PharmD, MBA, APhA Senior Advisor for State Government Affairs, by email at mmurphy@aphanet.org.

Sincerely,

A handwritten signature in black ink that reads "Michael Baxter". The script is cursive and fluid.

Michael Baxter
Vice President, Government Affairs
American Pharmacists Association

About APhA: APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. **Our members strive to improve medication use, advance patient care and enhance public health. In Indiana, with 6,530 licensed pharmacists and 10,490 pharmacy technicians, APhA represents pharmacists, students, and pharmacy technicians that practice in numerous settings and provide care to many of your constituents.** As the voice of pharmacy, APhA leads the profession and equips members for their role as the medication expert in team-based, patient-centered care. APhA inspires, innovates, and creates opportunities for members and pharmacists worldwide to optimize medication use and health for all.