



April 16, 2025

The Honorable Kyle Mullica
Chair, Colorado Senate Health & Human Services Committee
200 E Colfax
RM 346
Denver, CO 80203

HB25-1094 Pharmacy benefit manager practices – SUPPORT

Dear Chair Mullica, Vice Chair Michaelson Jenet, and members of the Senate Health & Human Services Committee:

The American Pharmacists Association (APhA) supports [House Bill \(HB\) 25-1094](#) (Rep. Brown), which will protect Colorado patients' access to their medications and their trusted health care professional, the pharmacist. By preserving pharmacists' crucial role in ensuring patients' access to their medications, Colorado can ensure that its communities receive the best possible health care.

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 prioritize profits over patients. HB25-1094 would address many of the underlying issues that harm patients, Colorado taxpayers, and pharmacists by prohibiting PBMs from earning income based on the cost of prescriptions, while permitting an assessment of a flat-dollar service fee and addressing misaligned incentives by prohibiting a PBM from designing formularies that would benefit themselves and potentially hurt patients.

Another critical focus of HB25-1094 is maintaining patient access to their lifesaving medications and preserving the pharmacist-patient relationship. Increasing PBM transparency and ensuring sustainable reimbursement to pharmacies will help keep local community pharmacy doors open and protect access to care, particularly for populations in rural and underserved Coloradan communities.

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>

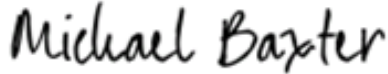
² 3 Axis Advisors. Analysis of PBM Spread Pricing in New York Medicaid Managed Care. Available at <http://www.ncpa.co/pdf/state-advoc/new-york-report.pdf>

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/>

For these reasons, we support HB25-1094 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,



Michael Baxter
Vice President, Government Affairs

cc: Senator Dafna Michaelson Jenet, Vice Chair
Senator Scott Bright
Senator John Carson
Senator Lisa Cutter
Senator Lindsey Daugherty
Senator Lisa Frizell
Senator Iman Jodeh
Senator Mike Weissman
Emily Zadvorny, PharmD, BCPS, Executive Director, Colorado Pharmacists Society

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 Colorado, with 5,100 licensed pharmacists and 5,920 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.