

Kandice K. Sanaie
Cigna
555 East 5th Street, #903
Austin, Texas 78701
kandice.sanaie@cigna.com
512.645.7961

Testimony in Opposition to HB 2598 to the House Insurance Committee
February 19, 2020

Thank you Mr. Chairman and members of the committee. On behalf of Cigna/Express Scripts, I appreciate the opportunity to provide comments regarding HB 2598.

Cigna Corporation is a global health service company dedicated to improving the health, well-being and peace of mind of those we serve. Cigna delivers choice, predictability, affordability and access to quality care through integrated capabilities and connected, personalized solutions that advance whole person health. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Cigna Life Insurance Company of New York, Connecticut General Life Insurance Company, Express Scripts companies or their affiliates, and Life Insurance Company of North America. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance. Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 165 million customer relationships throughout the world.

We agree with the proponents of this bill that transparency is an essential part of the overall value of a health care system. We have concerns that the bill language seeks to obtain proprietary information (example: negotiated prices/rates) and would ask that the language be amended to more appropriately protect certain contracting elements. Further, to make transparency beneficial to the public, there needs to be transparency on all sides of the equation; thus, we suggest adding language that seeks transparency on behalf of the drug manufacturers who **actually set** the drug prices--As a fun fact, 49 new drugs entered the marketplace in 2019, including the gene therapy Zolgensma[®], the most expensive single-dose drug ever, with a list price of \$2.1 million.

Creating a fiduciary duty on the part of a PBM is also problematic under Federal ERISA laws. PBMs serve in administrative and advisory roles for health plan and employer clients, performing claims processing and other administrative tasks pursuant to their contracts. PBMs do not make decisions about whether the plan should offer a pharmaceutical benefit, which are discretionary benefits, or the scope or design of those benefits—that's the plan sponsor's job. Thus, the language should be amended to remove fiduciary. We would be willing to discuss other language that speak to the duties of good faith, reasonableness and prudence to the required duties of PBMs.

Allowing pharmacists to refuse to fill prescriptions, beginning on Page 8 Line 42 of the bill, is detrimental to the citizens of Kansas, and really seeks to further exacerbate the deadly problem of patients not filling their prescriptions and ceasing to take their medications.

The above concerns are a few of our concerns with this bill, in fact, it is hard to see where the bill language will lower costs or help Kansas consumers. We respectfully request committee take no action on this bill as filed. Thank you for your consideration.