



Governor's Advisory Council for Exceptional Citizens (GACEC)
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MEMORANDUM

DATE: May 31, 2019

TO: The Honorable Members of the Delaware General Assembly

FROM: Ann C. Fisher, Chairperson
GACEC

RE: **Senate Bill No. 71 (Pharmacy Benefits Managers and Pharmacy Ownership)**

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed **Senate Bill No. 71**. This legislation proposes to amend Title 18 and Title 24 of the Delaware Code to: 1) prohibit a pharmacy benefit manager from requiring or providing an incentive for an insured individual to use a pharmacy in which the pharmacy benefit manager has an ownership interest; and 2) require that a pharmacy be owned by a pharmacist or majority-owned by pharmacists. Current pharmacy operators and hospital pharmacies that only serve patients and employees would be exempt from this rule. Council **endorses** Section 1 of Senate Bill 71 but would like additional information regarding Section 2 and the rationale behind the pharmacy ownership requirement. It would be helpful to know if the sponsors of the legislation have any evidence or projections about how this new requirement would affect prescription drug prices or geographic distribution of pharmacies in Delaware.

Although the bill exempts hospital pharmacies from the ownership requirement, the bill makes no mention of Federally Qualified Health Centers (FQHCs) or other similar community health clinics. Some of these centers may want to offer pharmacy services in the future – and they should be encouraged to do so. Recent studies on “pharmacy deserts” in minority and underserved communities have recommended the integration of pharmacies into community clinics as a way to alleviate pharmacy access barriers. Pharmacy access problems contribute to disparities in health outcomes given the critical role of medications in preventing and treating chronic conditions. Council would ask that the bill address the needs of FQHCs and other community health clinics to ensure that these centers do not face obstacles in providing pharmacy services.

Thank you in advance for your time and consideration of our endorsement and observations. Please feel free to contact me or Wendy Strauss at the GACEC office should you have any questions.