



Virginia House Commerce and Energy Subcommittee
1000 Bank St.
Richmond, VA 23218

Jan. 24. 2023

Re: Support for HB 1782

Chair Webert and members of the committee,

On behalf of the Chronic Disease Coalition, thank you for the opportunity to provide support for HB 1782. By passing this legislation, Virginia can make a big impact in the lives of chronic disease patients that regularly have trouble affording lifesaving medications.

The Chronic Disease Coalition is a nationwide nonprofit organization dedicated to protecting the rights of chronic disease patients against discriminatory policies and practices. The coalition was founded in 2015 and has since worked to advocate for people living with long-term or lifelong health conditions such as diabetes, kidney disease, multiple sclerosis, psoriasis, cancer, and other chronic diseases.

This bill would require Pharmacy Benefit Manager (PBM) rebates to be passed through to patients at the point of sale, which would benefit thousands of chronic disease patients across the commonwealth. Studies have shown that pharmaceutical rebates for branded drugs average 48%¹, so when that rebate is not passed onto the patient, they are essentially paying twice what their insurance company pays for the treatment. This is not fair, nor is it cost-effective for Virginia in the long-term, because unaffordability leads to worse health outcomes.

The argument that insurance companies need to keep the rebates to keep premiums lower for everyone is misleading. One study estimates that the increase in premiums would be less than 1% overall².

The Chronic Disease Coalition stands with patients and advocates across the commonwealth in support of this reform effort and urge you to support HB 1782.

Sincerely,

Nathaniel Brown
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1. National Bureau of Economic Research working paper 28439 <https://www.nber.org/papers/w28439>
2. Measuring the Impact of Point of Sale Rebates on the Commercial Health Insurance Market, Milliman Report, Klein and Petroske, January 2022 <https://us.milliman.com/en/insight/measuring-impact-point-of-sale-rebates-commercial-health-insurance-market-january-2022>