



California State Board of Pharmacy
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STATE AND CONSUMER SERVICES AGENCY
DEPARTMENT OF CONSUMER AFFAIRS
GRAY DAVIS, GOVERNOR

LICENSING COMMITTEE

AD-HOC Committee on Pharmaceutical Benefit Managers (PBMs) Regulation

Bill Powers, Public Member
Caleb Zia, Public Member
Andrea Zinder, Public Member

March 4, 2003
400 R Street, Suite 4070
Sacramento, CA 95814

1:00 p.m. – 4:30 p.m.

This committee meeting is open to the public and is held in a barrier-free facility in accordance with the Americans with Disabilities Act. Opportunities are provided to the public to comment on each agenda item.

- A. Call to Order 1:00 p.m.
- B. What do PBMs do?
- C. What areas of what PBMs do, does the Task Force want to explore for possible regulation?
- D. Review of Other States – Proposed Legislation/Model Legislation
- E. Action Plan – Future Meetings
- F. Adjournment 4:30 p.m.

Background Materials

(Background materials were provided to the Ad Hoc Committee and are available from the board's website. The materials are listed on the back of this agenda.)

BACKGROUND MATERIALS

Health Affairs – Volume 23, Number 1 – *An Ethical Template for Pharmacy Benefits – A way to encourage broader public learning and debate about setting limits fairly.* By Norman Daniels, J. Russell Teagarden and James E. Sabin

United States General Accounting Office – *Federal Employees’ Health Benefits – Effects of Using Pharmacy Benefit Managers on Health Plans, Enrollees, and Pharmacies*, January 2003

Project Patient Care – *Topline Report – Drug plan formularies and restrictions can have a negative impact on the health of many older Americans*, April 2002

Health System Change – *Issue Brief: Consumers Face Higher Costs as Health Plans Seek to Control Drug Spending*, November 2001 – Prepared by Glen P. Mays, Robert E. Hurley and Joy M. Grossman

Families USA – *Administering Drug Programs: Protecting Consumers’ Interests*, November 2001

California Healthcare Foundation - *Prescription Drug Coverage and Formulary Use in California: Different Approaches and Emerging Trends*, May 2001 - Prepared by William M. Mercer, Incorporated

The Henry J. Kaiser Family Foundation – *The Role of PBMs in Managing Drug Costs: Implications for a Medicare Drug Benefit*, January 2000 – Prepared by Mathematica Policy Research

United States General Accounting Office – *Pharmacy Benefit Managers -- FEHBP Plans Satisfied With Savings And Services, But Retail Pharmacies Have Concern*, February 1997