



**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