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Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Afforable Care Act

Comment On: IRS-2010-0010-0001
Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

Document: IRS-2010-0010-0948
Comment on FR Doc # 2010-14488

Submitter Information

Name: Greg Horstman
Address:
Madison, WI,
Submitter's Representative: Melissa Duffy
Organization: National CooperativeRx

General Comment

See attached file(s)

Attachments

IRS-2010-0010-0948.1: Comment on FR Doc # 2010-14488

National Cooperative Rx™

August 16, 2010

The Honorable Phyllis Borzi, Assistant Secretary
Employee Benefits Security Administration
U.S. Department of Labor
Washington, D.C. 20210
Attn: RIN 1210-AB42

The Honorable Jay Angoff, Director
Office of Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services
Washington, D.C. 20201
File Code: OCIIO–9991–IFC

Re: Changes to a Pharmacy Benefit Formulary Should Not Jeopardize Grandfather Status

Dear Ms. Borzi and Mr. Angoff,

The Proposed Rule governing group health plans' status as a grandfathered health plan under the Patient Protection and Affordable Care Act (PPACA) requested comments on whether a plan should lose grandfathered status due to modifications of a pharmacy benefit formulary. On behalf of National CooperativeRx and its members, I ask that you resist modifying the Propose Rule to apply to formulary changes and grant the utmost flexibility to group health plans when considering changes to drug formularies to keep enrollees safe and healthy and to control costs where possible.

National CooperativeRx is a employer-owned cooperative founded by employers and labor organizations to empower plans when negotiating with Pharmacy Benefit Managers (PBMs). We harness the purchasing power of 450 organizations across the country achieve improved, transparent drug pricing with access to effective utilization data, which in turn helps us to test and purchase effective clinical programs that are successful in keeping employees and dependents healthy. The collective aim of the cooperative and its members is to encourage enrollees to take the right drug for the appropriate duration, avoid medication errors that could endanger safety and to encourage members to purchase medications in the most cost effective way possible.

One of the most important services we deliver in pursuit of those goals is expert, independent navigation of the complex and ever-changing pharmaceutical and PBM industries. Rapidly advancing technology, FDA approval or disapproval of pharmaceutical applications and the development of generic equivalents are all examples of reasons a plan would consider drug formulary changes. Plans should have the flexibility to place limitations on medications based on safety, value and effectiveness - three facets of the pharmaceutical industry that are constantly in flux.

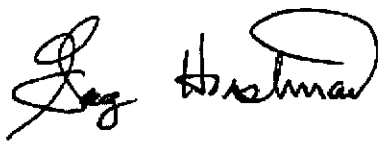
Once PPACA is fully implemented, it is expected that employer plans will continue to be the largest source of health care coverage in this country. Before PPACA and the threat of

increased penalties and regulations, employers provided high quality health coverage to employees because a) they care about their workers and b) they want to keep employees healthy, happy and productive. Employers have been able to continue providing benefits despite rising medical inflation by finding new and creative ways to control costs and encourage healthy behavior. Value-based benefit design is an excellent example of the kind of innovation employers can bring to health benefits.

Subjecting employers to increased regulations as a result of formulary modifications would not only give drug manufacturers increased negotiating power, but would hamstring employers in ensuring that employees are accessing the safest, most effective and highest value medications available. It appears antithesis to the stated purposes of PPACA in increasing the ability of purchasers and consumers to make more informed health choices based on cost and quality.

Thank you for your consideration of these comments.

Sincerely,



Greg Horstman, CEO
National CooperativeRx