



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES

March 20, 2023

The Honorable Dr. Tom Oliverson
Chair, House Insurance Committee
Texas State Capitol
EXT E2-150
Austin, TX 78768

RE: House Bill 2021 (HB 2021)

Dear Chair Oliverson and Members of the House Insurance Committee:

On behalf of our 19 member pharmacies operating in Texas, the National Association of Chain Drug Stores (NACDS) is pleased to offer support for HB 2021. This important piece of legislation would extend the protections of previously enacted reforms in an effort to safeguard Texans from the unfair and deceptive practices of pharmacy benefit managers (PBMs).

Last session, Texas took meaningful steps to rein in abusive PBM practices with two significant reform bills, HB 1763, and HB 1919. However, these protections did not extend to employer-sponsored health plans, commonly referred to as "ERISA plans." In a landmark decision, the Supreme Court effectively ruled in *Rutledge v. PCMA* that states are empowered to take action as related to plan pharmacy benefit managers (PBMs) and their pharmacy relationships, regardless of federal ERISA law. Texans should not be subjected to harmful PBM practices simply because they are covered by an employer-sponsored health plan. HB 2021 seeks to extend the reach of PBM reform principles currently codified in Texas law to as many patients as possible, regardless of the type of insurance coverage they have.

NACDS urges the Insurance Committee to support this important piece of legislation in furtherance of the impactful reforms already achieved on behalf of Texans. For questions or further discussion, please contact Mary Staples, Director of State Government Affairs, at MStaples@nacds.org.

Sincerely,

Steven C. Anderson, FASAE, CAE, IOM
President and Chief Executive Officer

###

NACDS represents traditional drug stores, supermarkets, and mass merchants with pharmacies. Chains operate over 40,000 pharmacies, and NACDS' member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly three million individuals, including 155,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 900 supplier partners and over 70 international members representing 21 countries. Please visit NACDS.org.