

June 3, 2025

Louisiana Senate Insurance Committee  
P.O. Box 94183  
Baton Rouge, LA 70804

**Re: Support for Louisiana HB 264**

Chair Talbot, Vice Chair Bass, and Members of the Senate Insurance Committee:

On behalf of the Association of Women in Rheumatology (AWIR), our rheumatology members across the country, including members from our local Louisiana chapter, I am writing in full support of Louisiana HB 264.

AWIR is dedicated to promoting the science and practice of Rheumatology, fostering the advancement and education of women in Rheumatology, and advocating for access to the highest quality healthcare and management of patients with Rheumatic diseases.

Our members treat patients who often require specialty medications that can be difficult to access and financially burdensome. One of the main reasons for this hardship is that patients are paying inflated prices for their medications. Pharmacy benefit managers (PBMs) negotiate with manufacturers to secure rebates or discounts from the list price of a medication in exchange for placement on a PBM or health plan's formulary.

The list price of the drug is what the patient pays, not the rebated price that PBMs or health plans effectively pay. What remains hidden are the higher-priced drugs that generate increased rebates and profits for PBMs. This opaque system can distort true drug costs and hinder patient access to affordable medications.

According to UnitedHealth Group's 2022 second quarter earnings report, revenues of \$80.3 billion grew 13% Year-Over-Year, with double-digit growth at both Optum (UnitedHealth's PBM) and UnitedHealthcare (its insurance arm).<sup>1</sup> This staggering growth exceeds that of most pharmaceutical manufacturers, highlighting the lucrative nature of current PBM practices.

The Federal Trade Commission (FTC) has also investigated PBM practices, releasing two reports in 2022 that highlighted how PBMs have obstructed patients' access to lower-cost alternatives. This underscores the need for regulatory reforms.<sup>2</sup>

We strongly urge that any amendments to HB 264 include the explicit passage of rebate savings directly to patients—commonly referred to as rebate pass-through language. Such a provision is

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<sup>1</sup><https://www.sec.gov/Archives/edgar/data/731766/000073176622000033/a2022q2exhibit991.htm#:~:text=UnitedHealth%20Group's%20second%20quarter%202022,at%20both%20Optum%20and%20UnitedHealthcare.&text=Second%20quarter%202022%20earnings%20from,contributions%20from%20across%20the%20enterprise.>

<sup>2</sup> <https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-releases-second-interim-staff-report-prescription-drug-middlemen>

crucial because it ensures transparency, promotes fair pricing, and directly benefits patients who are burdened by high out-of-pocket costs.

Furthermore, any amendments should also incorporate robust PBM reforms that explicitly help patients — such as delinking PBMs' revenue from rebates and overall drug pricing. Delinking is essential to eliminate the financial incentives for PBMs to prioritize higher-rebate drugs over more affordable, effective options, thereby fostering greater competition and lowering costs for patients.

HB 264 would provide patients with the rebate benefit by requiring 100% of rebates and discounts to be passed through to them at the point of sale. Implementing this change would significantly increase access and affordability for those struggling to pay for expensive medications.

As advocates for improved healthcare access and affordability, AWIR believes that these legislative efforts, especially with the inclusion of rebate pass-through language and PBM reforms, will make a meaningful impact on the lives of patients, particularly those with chronic rheumatologic conditions.

Again, we respectfully request full support for HB 264 and thank you for your consideration of this critical legislation to assist Louisiana patients struggling to afford their medications.

Respectfully,

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