

April 11, 2013

The Honorable Richard Gordon
Chair, Assembly Business, Professions and Economic Development
California State Assembly
State Capitol, Room 4126
Sacramento, CA 95814

RE: AB 670 (Atkins): Therapeutic Substitutions— SUPPORT

Dear Chairman Gordon:

On behalf of the California Healthcare Institute (CHI), the statewide public policy association representing the innovative life sciences sector – biotechnology, pharmaceutical, medical device and diagnostics companies, venture capital firms, research universities and institutes and its 275,000 workers – I am writing in support of AB 670: Therapeutic Substitutions: Financial Incentives.

Pharmacists are valuable resources for physicians and patients. Currently, pharmacists are allowed to suggest and make therapeutic substitutions —switching a prescribed drug for one that is similar, but chemically different — with the approval of the prescriber. This may be done for any number of legitimate reasons, for instance if the substituted drug is cheaper or if the prescribed drug is not covered by the patient's insurance plan.

Unfortunately, financial incentives for therapeutic switches create the risk of compromising what's in the patient's best interest. Under "targeted intervention programs," pharmacies are given incentives for each switch that's made. Often, patients do not fully understand what is happening to their prescription, nor are they aware of any financial arrangement.

AB 670 would not prevent pharmacists from being paid for their consulting services. Rather, the bill would prohibit pharmacists from receiving incentives for encouraging patients to switch medicine if it was not part of a broader consulting conversation. Under some arrangements, pharmacists get incentives if they recommend a switch without consulting.

Health care decisions should be based on science and the needs of patients, not on financial benefit. For these reasons, we strongly support AB 670.

Please feel free to contact me if you have any questions.

Sincerely,



Eve Bukowski
Vice President, State Government Affairs

CC: Assembly Business & Professions Committee