UAH Faculty Senate Resolution 18-19/03

Originated at Faculty Senate Bill 429 Transparency in Pharmacy Benefits Management

Passed January 17, 2019

**WHEREAS**, UAH (and other UA System campuses) administrators have repeatedly expressed a hope for employees to be cost-conscious in the pursuit of health care benefits, including pharmacy benefits,

**WHEREAS,**  There is a recent advent of a high-deductible health plan (HDHP) (also called a “consumer-oriented” plan at UA System campuses and in the press) at UAH,

**WHEREAS**, Stated goals in the HDHP open enrollment materials were to support and/or encourage employees to choose their care based on cost, among other factors,

**WHEREAS**, Central to the ability to choose based on cost is to know true cost,

**WHEREAS**, UAH itself may not always be aware of the true end cost of a prescription;

**WHEREAS,** A number of recent press reports have disclosed lack of transparency in true costs for pharmacy benefits, including at least one report originating from a “Big Pharma” firm itself,

**WHEREAS**, UAH plan participants themselves are often not able to secure true cost information,

**WHEREAS**, Pharmacy Benefit Management firms have been reported to receive incentive payments from pharmaceutical firms for inclusion of the certain drugs on the “formulary list” (i.e., list of covered drugs in a health plan), AND

**WHEREAS,** Alabama ethics laws would preclude any employee of the University from themselves receiving such an incentive payment (unless valued at a pittance level),and it seems incongruous for the University to have employees of its agent to engage in a practice on its behalf that no direct employee of the University could engage in,

**THEREFORE BE IT RESOLVED**

That the Faculty Senate of The University of Alabama in Huntsville requests that The University advocate for its pharmacy management agent, Prime Therapeutics, to fully disclose on an annual basis all incentive payments or other monetary or non-monetary benefits it received (whether via negotiation, gift, windfall, or other means) from pharmacies and drug makers for the direct or indirect purpose of encouraging, rewarding, or any other way incentivizing Prime to include a drug or pharmacy,

**AND BE IT FURTHER RESOLVED**

That each such annual disclosure be made available by UAH to faculty and staff participants in its prescription benefits program,

**AND FINALLY BE IT RESOLVED**

That the Senate President publicize the substance of this bill, including by communication of such to members of the Board of Trustees of the University of Alabama (System).