

# Invite Conference on House Bill 1123

March 19, 2025

The Honorable Jason White  
Mississippi House of Representatives  
400 High Street  
Jackson, Mississippi 39201

Dear Speaker White:

We greatly appreciate your leadership in addressing issues related to Pharmacy Benefit Managers' role in the cost of prescription drugs. Doing so requires a reasonable, measured approach.

House Bill 1123, in its original form, takes the first step toward achieving that goal. For the past two years, you have led the way in trying to find a solution. The business community has made a good-faith effort to work with all parties to help find a path forward.

Businesses throughout Mississippi have benefit experts within their organizations who have reviewed the changes made to the bill and determined they will increase costs. These experts in employee benefits understand the impact of such changes.

- The Senate Amendment will raise drug costs by eliminating agreed-upon contracts negotiated for the price paid for certain medications:
  - Section 4-4 of the Senate amendment would change laws to allow that if one pharmacy submits an invoice showing they are losing money, the PBM would have to apply their invoice price to all other pharmacies, regardless of how much the other pharmacies are paying.
  - Section 4-5 then locks in this cost as the contracted rate regardless of the agreed contract rate in the network agreement.

*These two subsections must be removed to avoid higher prices.*

- The Senate amendment will take away the ability to utilize preferred networks negotiated by insurance plans to save employees on the cost of drugs.
  - Section 7 of the bill would eliminate insurers' ability to offer employees lower prices through the plan's network contract, which provides a lower reimbursement rate in exchange for increased volume. If employers are not allowed to make their employees aware of these agreements to lower costs, it will result in higher prices for an employee's medication.

*Section 7 must be removed to avoid higher prices.*



*Rep. Shane Aguirre*

*Rep. Andy Boyd*

- Self-funded health insurance plans are included in this legislation, which could lead to costly legal action against the state.
  - Self-funded health insurance plans (ERISA) are not regulated at the state level. These plans are regulated at the federal level and regularly audited by the United States Department of Labor. Mississippi employees could be forced to pursue legal action if this legislation passes. In other states, employers have been successful in taking legal action. Including ERISA plans could force similar litigation that would be costly for Mississippi businesses and the state.

*ERISA plans are not regulated by the state and should be exempt.*

Don't be fooled by the rhetoric that the changes won't drive up costs. More importantly, it will not be the PBMs or insurance companies but instead Mississippi businesses and their employees covered by self-insured and group health plans that will bear the brunt of the cost. Many Mississippi businesses will shoulder some of these costs; however, a substantial number will be forced to pass the increased costs to individual Mississippians.

**The following members of the business community agree that stronger transparency, a full accounting of rebates, controls on spread pricing, an end to retaliation, and a fair audit system are needed. House Bill 1123, in its original form, accomplishes these goals without putting additional costs on hard-working Mississippians. For this reason, we ask that you invite conference on HB1123.**

AnderCorp  
Atmos Energy  
B&B Concrete  
Cadence Bank  
Coast Electric Power Association  
Cooperative Energy  
C Spire  
Delta Electric Power Association  
Dixie Electric Power Association  
Duff Capital Investors  
Entergy Mississippi  
Ergon, Inc.  
4-County Electric Power Association  
Georgia-Pacific, LLC  
Hancock Whitney  
Hawkeye Industries  
Hol-Mac Companies



Mississippi Petroleum Marketers  
and Convenience Stores Association



Ingalls Shipbuilding  
Interinvest Corp  
William O. Jacobs  
Koch, Inc  
Laurel Machine & Foundry Co.  
MGM/Beau Rivage  
MHCA Employee Benefit Plan  
MINACT, Inc.  
MINACT Logistical Services, LLC  
Mississippi Power  
Morgan White Group  
Multicraft International  
Natchez Trace Electric Power Association  
Nucor Steel  
Pontotoc Electric Power Association  
Renasant Bank  
Shuqualak Lumber Co, Inc.  
Singing River Health System  
SouthGroup Insurance and Financial Services  
Southern Farm Bureau Life Insurance Company  
Southern Pine Electric Power Association  
The Taylor Group, Inc.  
Thomasson Company  
Tombigbee Electric Power Association  
Tower Loan  
Trustmark National Bank  
Twin County Electric Power Association  
United Plastic Molders  
The Yates Companies  
Yazoo Valley Electric Power Association