

June 3, 2025

The Honorable Kim Reynolds
Governor of Iowa
Iowa State Capitol
1007 E Grand Ave #101
Des Moines, IA 50319

RE: Please Support and Sign SF383 into Law

Dear Governor Reynolds,

On behalf of the Association of Women in Rheumatology (AWIR), our rheumatology members across the country, including members from our local Iowa chapter, we are writing in full support of Iowa SF383. This legislation represents a vital step forward in reforming pharmacy benefit managers (PBMs) and enhancing transparency and fairness within the prescription drug supply chain in Iowa.

SF383 includes comprehensive PBM reforms, specifically mandating that pharmacy benefit managers pass through rebates and discounts directly to patients. This reform will significantly reduce out-of-pocket costs, making prescription medications more affordable for Iowa families. By ensuring that rebates are used to lower patient expenses rather than increase profits for PBMs, we can promote greater access to necessary medications and improve health outcomes across our state.

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 (UH PBM) and UnitedHealthcare (UH insurance)."¹ This increase is staggeringly high compared to the majority of pharmaceutical manufacturers.

There is a reason why the Federal Trade Commission (FTC) commissioned an investigation into PBM practices in 2022 and has since release two reports highlighting how PBMs have blocked patient's access to competing lower-cost drugs.²

In addition, SF383 establishes important protections against discriminatory practices and unreasonably restrictive pharmacy access, fostering a more competitive and equitable pharmacy landscape. The legislation also promotes transparency by requiring reporting on prescription drug distribution and wholesale costs, which will further empower consumers and policymakers to make informed decisions.

¹<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.>

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

Supporting this legislation aligns with Iowa's values of fairness, affordability, and health equity. Passing SF383 into law will demonstrate our commitment to safeguarding patients and ensuring that pharmacy benefit management practices serve the best interests of Iowa residents.

Thank you for your leadership on this important issue. I respectfully urge you to sign Senate File 383 into law for the benefit of all Iowans.

Sincerely,

Gwenesta Melton, MD
Vice President & Advocacy Co-Chair
AWIR

Hanna Zembrzuska, MD
Iowa City Local Chapter Leader
AWIR

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