



BUSINESS COUNCIL OF ALABAMA

February 25, 2025

Dear Members of the Alabama State Senate,

As representatives of the business community in Alabama, we write to express our strong opposition to Senate Bill 93 (SB93) and Senate Bill 99 (SB99). If passed in their current form, these bills would impose a \$10.64 fee on every prescription filled in the state. This proposal represents a significant and unnecessary cost burden that will negatively impact Alabama's businesses and employees. If passed, an estimated \$347 million will be added to the cost of delivering prescription medicine in Alabama each year, according to the Pharmaceutical Care Management Association.

The groups represented in this letter include employers of all sizes, from small businesses to large corporations, located in every corner of Alabama. These organizations are united in their opposition to the bills due to the significant and far-reaching consequences they would have on the economic well-being of our state. Regardless of size or location, the impact would be felt across the entire business community, as all would be forced to shoulder the burden of these new costs.

While proponents claim that Pharmacy Benefit Managers (PBMs) will absorb the fee, history has shown that higher costs are rarely absorbed by one party without being passed on to others. In this case, the burden of this fee would ultimately fall on employers, their employees, and consumers.

For small and large businesses alike, this is not just an inconvenience—this is a crippling new cost that will strain operations, decrease competitiveness, and reduce the ability to provide affordable healthcare benefits to employees. Small businesses that are already working within tight margins will bear an outsized impact. The ripple effects of these increased costs will extend throughout the economy, jeopardizing both the economic health of our businesses and the livelihoods of hardworking Alabamians.

Furthermore, this legislation sets a troubling precedent that undermines the economic stability of Alabama's workforce. The impact of such a fee will not be isolated but will extend to every corner of our economy. Employees will feel the impact in their take-home pay, and businesses will face increased financial pressure across various sectors. The result could be fewer jobs, reduced wages, and a negative effect on the overall economic health of the state.

As the Business Council of Alabama (BCA) has communicated in testimony before the Senate Banking and Insurance Committee, we believe that there are more sustainable, fair, and effective solutions to address concerns surrounding PBMs without burdening Alabama's businesses and workers. Rather than imposing additional financial strain on employers and employees, we urge legislators to consider alternatives that would achieve meaningful regulatory changes to the root cause of the problem while preserving the economic stability of our state.

On behalf of the undersigned associations, organizations, and companies across Alabama, we urge you to reject SB93 and SB99 in their current forms and work toward a better solution for all Alabamians. We are committed to collaborating with lawmakers to develop sustainable policy solutions that do not jeopardize Alabama's economic future.

Thank you for your attention to this critical issue. We look forward to working with you to protect Alabama's businesses, workers, and families.

Sincerely,

A handwritten signature in blue ink that reads "Helena J. Duncan". The signature is fluid and cursive, with the first name "Helena" and last name "Duncan" clearly legible, and "J." as a small initial in the middle.

Helena Duncan
President & CEO
Business Council of Alabama