

Research on Pharmacy Benefit Managers

Findings From a Survey of 1,049 Likely Voters Nationwide

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Bellwether Research

Christine Matthews



Lake Research Partners

Washington, DC | Berkeley, CA | New York, NY

LakeResearch.com

202.776.9066

David Mermin

Emily Garner

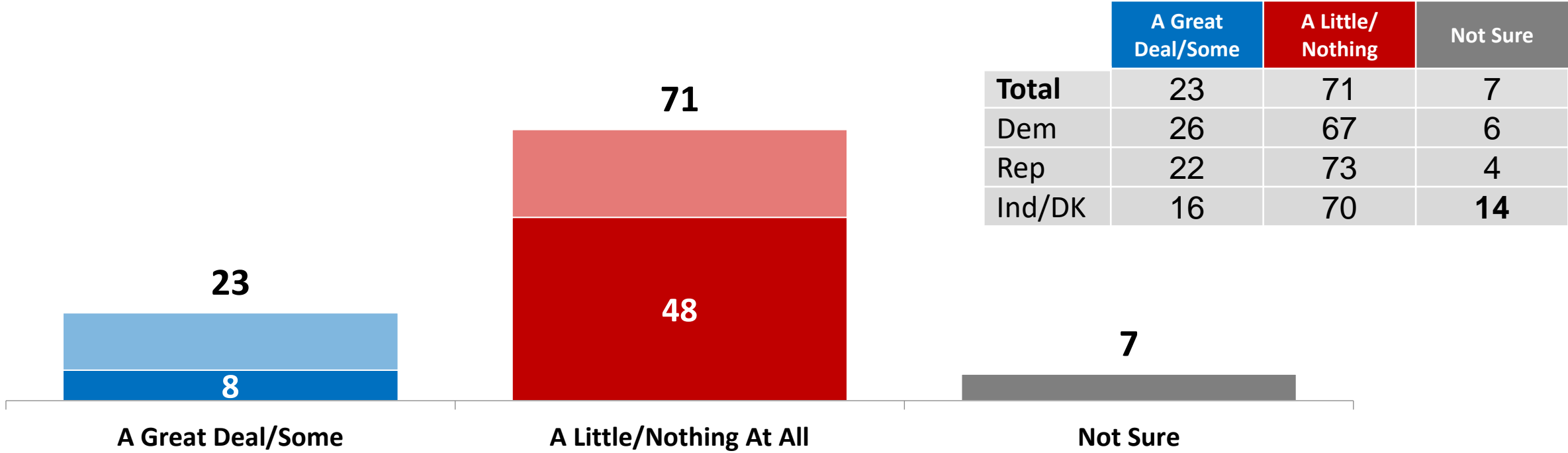
Liam Tocheny

Methodology

- Lake Research Partners and Bellwether Research designed and administered this bipartisan survey of 1,049 likely general election voters nationwide.
- The survey was conducted February 6-13, 2023, by online panel.
- Data were weighted slightly by gender, age, party identification, region, race, race by gender, and college education status to reflect the expected demographic composition of likely voters nationally.
- The margin of error for the full sample is +/-3.0%, and higher for subgroups.

Seven in ten voters report knowing little or nothing at all about PBMs. Many voters will form impressions of PBMs based on the name alone, leaving PBMs open to define themselves positively without communication to push back on this narrative.

Knowledge About PBMs



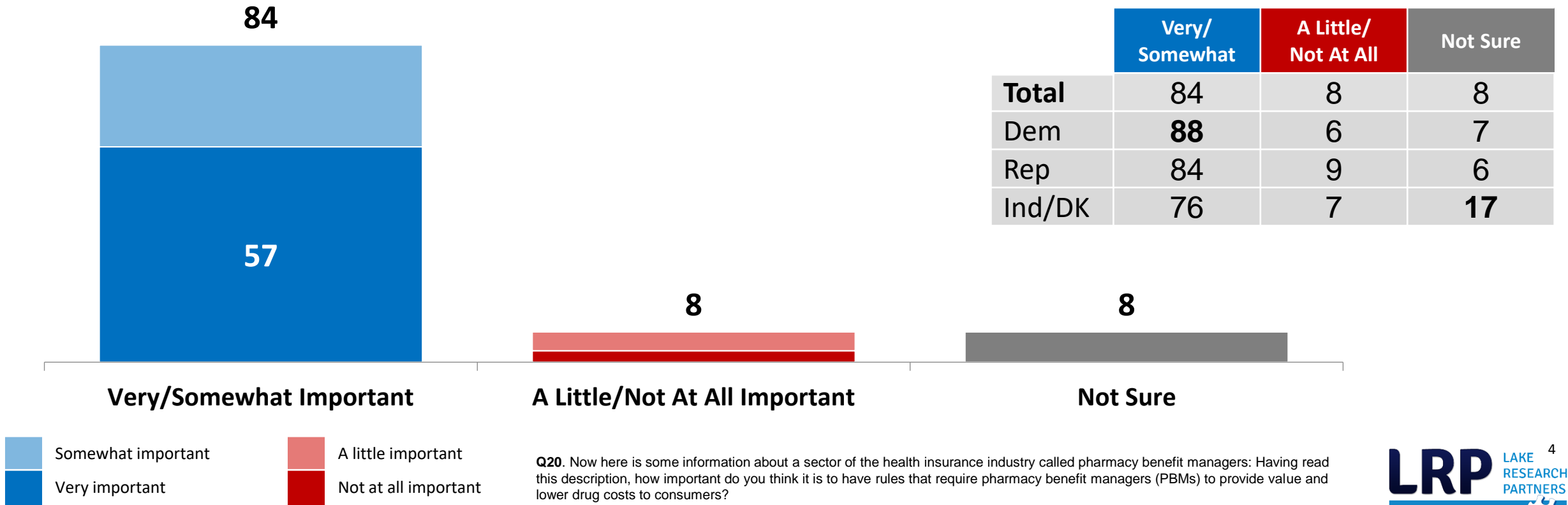
Some
A great deal
A little
Nothing at all

Q19. How much do you know about pharmacy benefit managers (PBMs)? Select one

After voters read a short and simple description of PBMs, an overwhelming majority – more than eight in ten – say it is important to have rules that require PBMs to provide value and lower drug costs for consumers, including more than half who think it is very important. Over three quarters of Democrats, Republicans, and independents agree.

Importance of Regulating PBMs: Initial Ballot

Initial PBM Description: Pharmacy benefit managers, or PBMs, are corporations that administer prescription drug plans for health insurance companies and employer or union health plans and make profits based on the price of prescription drugs.



Additional Information About PBMs

PBMs were created to manage how we get our prescription drugs and create savings for consumers. Today, a number of PBMs are multibillion dollar corporations, and some of the most profitable companies in health care.

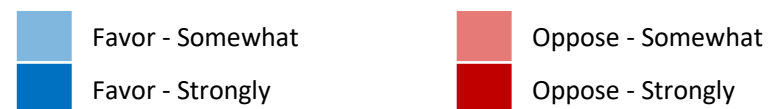
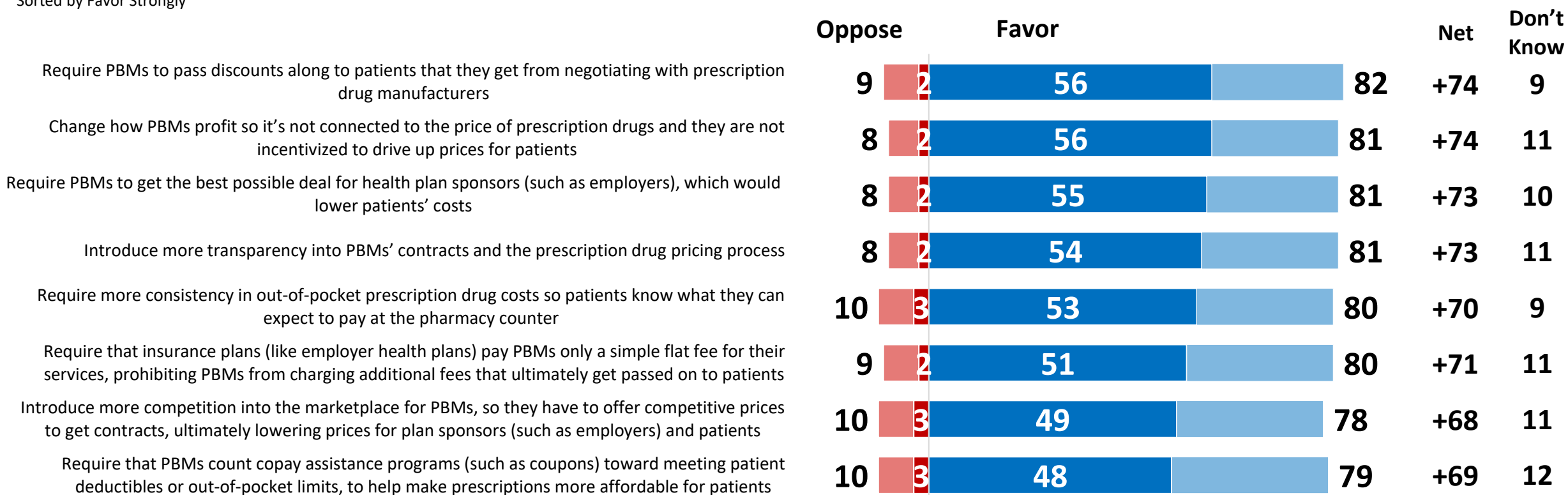
PBMs play a major role in determining how much we pay for our medications, because they negotiate prescription drug benefits on behalf of health insurance companies and employer health insurance plans. PBMs have little oversight and little competition - right now, three PBMs control over 80% of the prescription drug market in the United States - so they are able to profit through a number of business practices. PBMs make a bigger profit on drugs with a higher price tag because PBM fees are often charged based on a percentage of the price, so many experts have said that PBMs prefer higher, rather than lower drug prices.

PBMs also negotiate with prescription drug manufacturers to get rebates and other fees on these drugs, but instead of passing savings back to consumers, often they keep these savings for themselves. They also often prevent patients from getting lower-cost generic drugs and block patient access to drug manufacturer copay assistance programs.

A slate of specific proposed regulatory policies get overwhelmingly high support across the board. While all of the policies are remarkably popular, with similar levels of total support, requiring PBMs to pass discounts along to patients and changing how PBMs profit so they are not incentivized to drive up prices top the list by a slim margin.

Support for Policies to Regulate PBMs

Sorted by Favor Strongly



Q23. Now here are some different policy changes that have been proposed to regulate PBMs. For each one, please indicate if you would favor or oppose the proposal. [RANDOMIZE] Select one for each option

There is very strong and consistent support for all of the proposed policy changes tested among voters across party affiliation. Slightly lower levels of support among independents – while still very high overall – reflect a higher proportion of this group answering “don’t know” rather than independents having higher levels of opposition.

Total Support for Policies to Regulate PBMs by Party Identification

Total Support for Policies (Sorted by % Favor Strongly)	Party Identification		
	Democrat	Independent/Don't Know	Republican
Require PBMs to pass discounts along to patients that they get from negotiating with prescription drug manufacturers	83	73	87
Change how PBMs profit so it's not connected to the price of prescription drugs and they are not incentivized to drive up prices for patients	84	70	84
Require PBMs to get the best possible deal for health plan sponsors (such as employers), which would lower patients' costs	84	68	86
Introduce more transparency into PBMs' contracts and the prescription drug pricing process	85	67	85
Require more consistency in out-of-pocket prescription drug costs so patients know what they can expect to pay at the pharmacy counter	83	66	85
Require that insurance plans (like employer health plans) pay PBMs only a simple flat fee for their services, prohibiting PBMs from charging additional fees that ultimately get passed on to patients	83	68	83
Introduce more competition into the marketplace for PBMs, so they have to offer competitive prices to get contracts, ultimately lowering prices for plan sponsors (such as employers) and patients	80	65	83
Require that PBMs count copay assistance programs (such as coupons) toward meeting patient deductibles or out-of-pocket limits, to help make prescriptions more affordable for patients	81	65	82

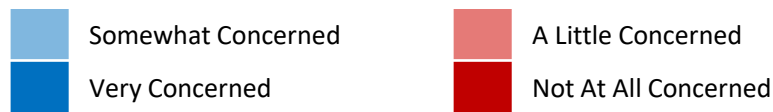
Q23. Now here are some different policy changes that have been proposed to regulate PBMs. For each one, please indicate if you would favor or oppose the proposal. [RANDOMIZE] Select one for each option

Reading a list of some of the negative impacts PBMs have on health care generates uniformly very high levels of concern among voters. Three quarters to eight in ten voters are concerned about all of the impacts tested, but the ones that evoke the highest intensity of concern by a slim margin are that PBMs drive up prescription drug prices and that they hold a monopoly on the prescription drug market.

Negative Impacts of PBMs

Sorted by Very Concerned

	Not Concerned	Concerned	Net	Don't Know
PBMs drive up prescription drug prices	13	57	+65	8
PBMs hold a monopoly on the prescription drug market, allowing them to make unilateral decisions on prices	13	55	+65	9
There is little oversight or regulation of PBMs	13	54	+65	9
PBMs decide which drugs are available to consumers	14	54	+64	8
PBMs exclude cheaper, generic drugs from our insurance plans	15	53	+62	8
PBMs block patient access to drug manufacturer copay assistance programs	14	51	+63	9
PBMs reduce patients' choice in prescription drugs and pharmacies	15	51	+61	9
PBMs often own their own pharmacies and drive out independent, community drug stores	16	49	+58	9
Three PBMs – CVS Caremark, ExpressScripts, and OptumRX – control over 80% of the prescription drug market in the U.S	17	45	+57	9



Q24. Now here are some facts about how PBMs operate and different impacts they can have on patients' health care costs and the cost of the entire health care system. For each one, please rate how concerned you are about that issue or impact. [RANDOMIZE] Select one for each option

Voters across party affiliation are very concerned about the impacts of PBMs on the health care market. Again, slightly lower levels of concern among independents – while still very high overall – reflect a higher proportion of this group answering “don’t know.” This response pattern is typical of independents, who tend to be less informed and engaged.

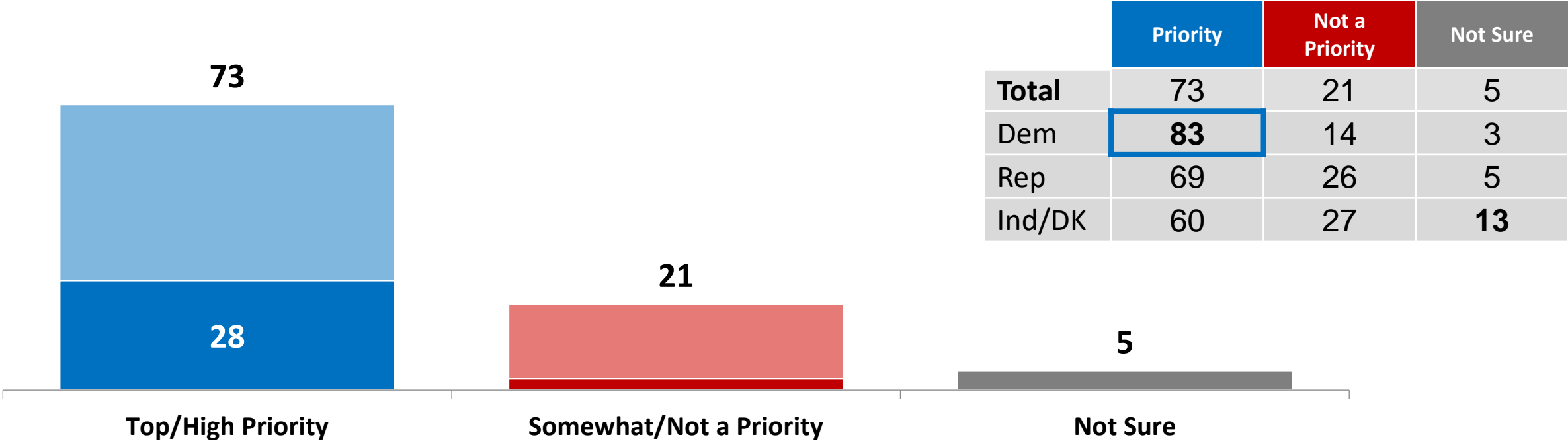
Total Concern About Negative Impacts of PBMs by Party Identification

Total Concern About Negative Impacts (Sorted by % Very Concerned)	Party Identification		
	Democrat	Independent/Don't Know	Republican
PBMs drive up prescription drug prices	81	66	83
PBMs hold a monopoly on the prescription drug market, allowing them to make unilateral decisions on prices	80	67	82
There is little oversight or regulation of PBMs	80	70	81
PBMs decide which drugs are available to consumers	79	70	81
PBMs exclude cheaper, generic drugs from our insurance plans	81	65	79
PBMs block patient access to drug manufacturer copay assistance programs	78	69	81
PBMs reduce patients' choice in prescription drugs and pharmacies	78	69	78
PBMs often own their own pharmacies and drive out independent, community drug stores	77	67	76
Three PBMs – CVS Caremark, ExpressScripts, and OptumRX – control over 80% of the prescription drug market in the U.S	79	67	73

Q24. Now here are some facts about how PBMs operate and different impacts they can have on patients' health care costs and the cost of the entire health care system. For each one, please rate how concerned you are about that issue or impact. [RANDOMIZE] Select one for each option

After voters have had PBMs defined for them, an overwhelming majority think that regulating PBMs should be a priority for their elected officials. Nearly three quarters of voters say that regulating PBMs should be a high or top priority for Congress and/or their state legislature. Democrats are particularly enthusiastic about regulation, but clear majorities of independents and Republicans also call it a priority.

Importance of Regulating PBMs: Final Ballot

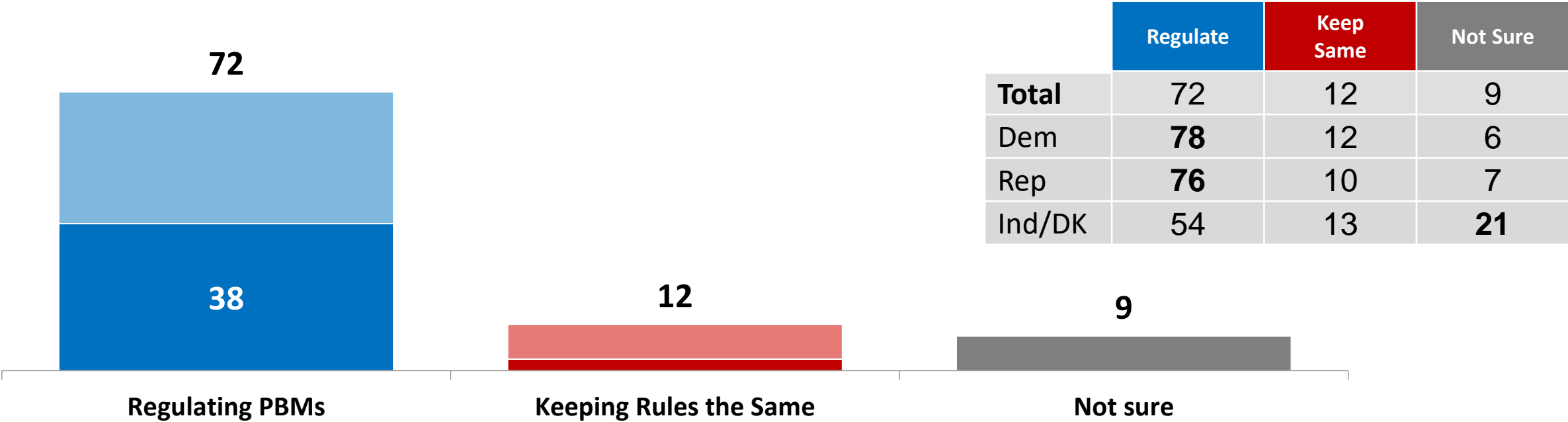


■ High Priority
■ Top Priority
■ Somewhat of a Priority
■ Not a Priority

Q30. When you think about priorities for Congress and your state legislature, how high of a priority do you think regulating PBMs should be? Select one

Again, after PBMs have been defined for them, voters say they are far more likely to support a candidate for office who supports regulating PBMs than one who prefers to keep the rules the same. More than seven in ten voters would be more likely to vote for a candidate who supports regulating PBMs, including over three quarters of both Democrats and Republicans.

Support for Candidate Based on PBM Position



Somewhat More Likely to Vote for...
 Much More Likely to Vote for...

■ Candidate Who Supports Regulating PBMs
■ Candidate Who Supports Keeping Rules the Same

Q31. Would you be more likely to vote for a candidate for elected office who supports regulating PBMs, or a candidate who supports keeping the rules as they are? Select one

LRP LAKE RESEARCH PARTNERS

Strategy · Precision · Impact



Washington, DC | Berkeley, CA | New York, NY

LakeResearch.com

202.776.9066

David Mermin

dmermin@lakeresearch.com

Emily Garner

egarner@lakeresearch.com

Liam Tocheny

ltocheny@lakeresearch.com

Nikolai Schweber

nschweber@lakeresearch.com

Christine Matthews

cmatthewspolls@gmail.com

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Demographics of Likely Voters Nationwide


GENDER

Man	—	46%
Woman	—	52%
Nonbinary	—	1%

AGE

Under 30	—	16%
30-39	—	17%
40-49	—	16%
50-64	—	26%
65+	—	25%

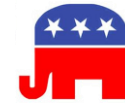
EDUCATION

High School or Less	—	23%	
Post-H.S./Some College	—	36%	
College Graduate	—	27%	41% College Grad or Post Grad
Post-Graduate	—	14%	

PARTY IDENTIFICATION



Democrat
42%



Republican
39%



Independent
12%

RACE

White/Caucasian	—	67%
Black/African American	—	13%
Indigenous/Native American	—	3%
Asian American/Pacific Islander	—	5%
Latino/Hispanic	—	11%
Middle Eastern	—	1%

REGION

New England	—	5%	Northeast	—	18%
Middle Atlantic	—	13%			
E. North Central	—	15%	Midwest	—	22%
W. North Central	—	7%			
South Atlantic	—	20%	South	—	37%
E. South Central	—	6%			
W. South Central	—	11%	West	—	23%
Mountain	—	8%			
Pacific	—	15%			

Percentages do not always add up to 100 due to rounding and non-response