Research on Pharmacy Benefit Managers

Findings From a Survey of 1,049 Likely Voters Nationwide

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Bellwether Research

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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.
### 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%

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

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

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

#### Party Identification
- Democrat — 42%
- Republican — 39%
- Independent — 12%

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

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.

### 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.

<table>
<thead>
<tr>
<th>Importance Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very/Somewhat Important</td>
<td>84</td>
</tr>
<tr>
<td>A Little/Not At All Important</td>
<td>57</td>
</tr>
<tr>
<td>Not Sure</td>
<td>8</td>
</tr>
</tbody>
</table>

**Q20:** Now here is some information about a sector of the health insurance industry called pharmacy benefit managers: Having read this description, how important do you think it is to have rules that require pharmacy benefit managers (PBMs) to provide value and lower drug costs to consumers?
After voters hear additional information about PBMs*, a slate of specific proposed regulatory policies get overwhelmingly high support across the board. While all of the policies are remarkably popular, and nearly uniformly so, 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

<table>
<thead>
<tr>
<th>Policy Description</th>
<th>Oppose</th>
<th>Favor</th>
<th>Net</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Require PBMs to pass discounts along to patients that they get from negotiating with prescription drug manufacturers</td>
<td>9</td>
<td>56</td>
<td>82</td>
<td>+74</td>
</tr>
<tr>
<td>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</td>
<td>8</td>
<td>56</td>
<td>81</td>
<td>+74</td>
</tr>
<tr>
<td>Require PBMs to get the best possible deal for health plan sponsors (such as employers), which would lower patients’ costs</td>
<td>8</td>
<td>55</td>
<td>81</td>
<td>+73</td>
</tr>
<tr>
<td>Introduce more transparency into PBMs’ contracts and the prescription drug pricing process</td>
<td>8</td>
<td>54</td>
<td>81</td>
<td>+73</td>
</tr>
<tr>
<td>Require more consistency in out-of-pocket prescription drug costs so patients know what they can expect to pay at the pharmacy counter</td>
<td>10</td>
<td>53</td>
<td>80</td>
<td>+70</td>
</tr>
<tr>
<td>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</td>
<td>9</td>
<td>51</td>
<td>80</td>
<td>+71</td>
</tr>
<tr>
<td>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</td>
<td>10</td>
<td>49</td>
<td>78</td>
<td>+68</td>
</tr>
<tr>
<td>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</td>
<td>10</td>
<td>48</td>
<td>79</td>
<td>+69</td>
</tr>
</tbody>
</table>

*see appendix for language
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

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

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.

Importance of Regulating PBMs: Final Ballot

- 73% Top/High Priority
- 28% Somewhat/Not a Priority
- 5% Not Sure

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.

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.
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.