

# STAKEHOLDERS AGREE: PBM PROFITS SHOULD NOT BE TIED TO RX COSTS

**Pharmacy benefit managers, or PBMs**, administer prescription drug benefits for insurance companies, employers and states, and have come under intense scrutiny for driving up the cost of medicines for their own financial gain. Bipartisan legislation has been introduced in both Chambers to address harmful PBM business practices.

Countless patient groups, academics, employers, public officials and others have highlighted the harm these health insurance middlemen corporations cause to households, small and large businesses, and state and local governments across the country.

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“PBMs often operate in complex and opaque ways that have let them fly under the radar. That’s why the FTC launched an inquiry into the PBMs ordering the largest PBMs to hand over documents on their business practices.”

**LINA KHAN, Chair, Federal Trade Commission**

<https://www.youtube.com/watch?v=DIa6hAslOFg>

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“Moving forward, a proposal which really takes out some of those middlemen... what you’re doing is you’re giving Americans some hope that they really will avoid having to pay those middlemen all those dollars that really should go into their healthcare.”

**XAVIER BECERRA, Secretary, Department of Health and Human Services**

<https://www.youtube.com/watch?v=DIa6hAslOFg>

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“In my business alone, 40% of the total of Medicare Part D prescriptions that I fill are paid below my cost. It’s simple math. We can’t stay in business being paid less than our cost.”

**DR. DARED PRICE, Owner, Price Pharmacies**

<https://www.youtube.com/watch?v=DIa6hAslOFg>

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“I can go on and on and on about the big three PBMs. They are everything that is wrong with this industry.”

**MARK CUBAN, Co-founder, Cost Plus Drugs**

<https://www.youtube.com/watch?v=DIa6hAslOFg>

**Many identified the need to disconnect PBM profits from the costs of prescription drugs.**

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“There is a growing and unprecedented consensus among both Democrats and Republicans in Congress that PBMs should not be profiting off the price of prescription medicines or forcing patients to use more expensive drugs when lower cost alternatives are available. Breaking the link between the price of medicines in Medicare and PBM revenues is a critical provision in any PBM reform legislation to help seniors afford and access their medications.”

**MARK BLUM, managing director of the PBM Accountability Project**

<https://www.pbmaccountability.org/post/pbm-accountability-project-statement-on-congressional-efforts-to-rein-in-pbms>

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“High-priority legislation should encompass concrete measures, including the separation of PBMs’ compensation from medication prices. Failing to do so will perpetuate the upward trajectory of prices in lockstep with PBM profits, further empowering these players to eliminate competition and burden consumers with escalating costs.”

**Consumer Action for a Strong Economy to House Committee on Oversight and Accountability**

[\[LINK TO LETTER\]](#)

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“The delinking provision would prohibit PBMs participating in Part D from deriving any income based on the list price of a drug. Instead, PBMs would be required to accept flat-dollar service fees reflecting fair market value.”

**Alliance for Transparent and Affordable Prescriptions to Senate Finance Committee**

[\[LINK TO LETTER\]](#)

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“Without delinking PBM compensation from drug list prices, bad actors will continue to pressure drug manufacturers to drive list prices higher while demanding steeper rebates. This harms consumers and other purchasers, including the government.”

**Partnership to Fight Chronic Disease Comments to Senate Budget health care task force**

[\[LINK TO LETTER\]](#)

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“There’s an emerging bipartisan consensus among lawmakers in Congress to pass a suite of PBM reforms, including reporting requirements to achieve price transparency, mandated rebate pass-throughs to drive down out-of-pocket costs at the pharmacy counter, and delinking PBM compensation from the list price of drugs to remove harmful pricing incentives.”



**ANGELA DINGLE,**  
**Acting President & CEO of Women Impacting Public Policy**

[https://www.realclearhealth.com/blog/2024/01/10/small\\_business\\_needs\\_pbm\\_reform\\_now\\_1003974.html](https://www.realclearhealth.com/blog/2024/01/10/small_business_needs_pbm_reform_now_1003974.html)

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“PILMA has urged Congress to act to: delink the price of prescription drugs from PBM compensation; create more transparency in PBM pricing and compensation practices; and require PBMs to share the savings they incur from manufacturer rebates by passing those savings on the patients and plan sponsors.”

**PILMA**

<https://pilma.org/blog/2023/11/06/statement-regarding-pbm-reform-and-transparency/>

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“Policy ultimately is going to be an endeavor in chasing the games and minimizing the perverse incentives for PBMs to act against the interest of their clients.”



**ANTONIO CIACCIA,**  
**President & CEO, 46brooklyn**

<https://www.youtube.com/watch?v=lurd5prXl6U&t=2s>

**LEARN MORE ABOUT PBM POLICY SOLUTIONS AT  
[PBMACCOUNTABILITY.ORG/POLICY-IDEAS.](https://pbmaccountability.org/policy-ideas)**