

NEVER HEARD OF GPOs?

That's What PBMs Want.



WHAT IS A GPO?

Health insurers and their affiliated pharmacy benefit managers (PBMs) face increased scrutiny as they bring a new prescription middleman – **Group Purchasing Organizations (GPOs)** – into the picture. GPOs add complexity to the opaque health insurance web, worsening access and affordability issues while driving up costs and extracting profits from prescription drugs. Many GPOs are located overseas, sidestepping U.S. oversight and adding a new level of complexity to the PBM labyrinth.¹

HOW DO GPOs OPERATE?

GPOs act as additional pass-through, shell corporations between drug makers and the integrated insurers, PBMs and their pharmacies. Their purpose is simple: they allow PBMs to retain more rebate dollars and charge additional administrative fees, which are often tied to a drug's list price and further boost PBM profits.² This leads to further consolidation of the market³ along with other harmful tactics:

Skimming Rebates

GPOs take rebates, discounts and fees from drugmakers in exchange for a favorable formulary position and market share. As intermediaries, they enable their parent PBM or insurer to withhold savings that should be passed on to clients.⁴

Arbitrary Fees

GPOs profit off large fees by charging drug manufacturers to get information on basic things, like how their drugs fared in the marketplace. These administrative fees are entirely separate from any rebates, increasing opaqueness around what insurers do with the profits.⁵

THE THREE MAJOR PBM-OWNED GPOS ARE:



Ascent Health Services (Cigna/ Evernorth (Express Scripts) based in Switzerland)



Emisar Pharma Services (UnitedHealth/ Optum based in Ireland)



Zinc Health Services (CVS Caremark based in the U.S.)

It's time to hold PBMs accountable for the games they are playing with GPOs.

Hardworking Americans are paying the price.

CONGRESS, THE TIME TO ACT IS NOW.

LEARN MORE AT [PBMACCOUNTABILITY.ORG](https://pbmaccountability.org)

^{1,5}Senate Finance Committee. Insulin: Examining the Factors Driving the Rising Cost of a Century Old Drug. January 2021.

²Trends in Profitability and Compensation of PBMs & PBM Contracting Entities, Nephron Research. Sept. 18, 2023.

³Drug Channels. Five (or Maybe Six?) Reasons that the Largest PBMs Operate Group Purchasing Organizations. May 24, 2023.

⁴Drug Channels. Optum Launches 'Emisar' Contracting Entity; Navitus Aligns with Ascent vis Prime, Nephron Research. Aug. 25, 2021.