

“WHAT THEY’RE SAYING ABOUT PBMs”

PBM ACCOUNTABILITY PROJECT

Pharmacy benefit managers, or PBMs, administer prescription drug benefits for insurance companies and have come under intense scrutiny for driving up the cost of medicines for their own financial gain. Several Congressional Committees recently have held hearings where criticism of harmful PBM business practices has taken center stage. Read what public officials, researchers and drug pricing experts have to say about these middlemen companies and the harm caused to households across America, small and large businesses, and state governments.

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“Middlemen have always skimmed money off the top and it’s a matter of how we can try to keep the resources where they’re most needed—with consumers not with middlemen.”



HON. XAVIER BECERRA, Secretary, Department of Health and Human Services

<https://www.youtube.com/watch?v=7LHMvvaZGw>

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“It’s increasingly apparent that PBMs are using their data, their market power and their know how to keep prices high and pad the profits instead of sharing the benefits of prices, and negotiate with consumers in the Medicare program.”



U.S. SEN. RON WYDEN, (D-OR)

<https://www.formularywatch.com/view/second-senate-committee-heaps-criticism-on-pbms>

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“PBMs have said their purpose is to negotiate lower prices. I said when we had a group of PBMs in front of us a couple of years ago we should call them PBNs because they’re pretty bad negotiators if that’s what they’re supposed to be doing.”



U.S. SEN. DEBBIE STABENOW, (D-MI)

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

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“Quite frankly I don’t know who holds the PBMs accountable for any public responsibility. I think that’s the challenge. Taxpayers are the largest payors and consumers of pharmaceutical products and yet the PBMs that play a critical role in this are really not accountable to us. To me that’s the major challenge.”



U.S. SEN. BEN CARDIN, (D-MD)

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

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“It’s troubling to me that the three largest PBMs actually control 80% of the market. There’s no transparency. They are making a lot of money by keeping rebates instead of passing them on to consumers. They exclude drugs from their formulary, and they are dictating what their competitors are making.”



U.S. REP. NICOLE MALLIOTAKIS, (R-NY)

<https://www.youtube.com/watch?v=smv584TsvHE>

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“I believe the free market works when there’s competition but you’ve got so much vertical integration, so much consolidation of market power and no transparency has been pointed out a lot of times already. This, to me, makes no sense.”



U.S. SEN. JOHN THUNE, (R-SD)

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

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“It’s unacceptable that these shadowy, secretive entities have so much power over people’s healthcare.”



U.S. SEN. SHERROD BROWN, (D-OH)

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

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“The spread pricing is real, we all know it. The percentage they’re being paid is a very real issue, the rebates are not going back to the consumer.”



U.S. SEN. JAMES LANKFORD, (R-OK)

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

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“So, under the current structure, PBMs make more money when a drug’s list price increases while patients bear the financial burden.”



U.S. SEN. ROBERT MENENDEZ, (D-NJ)

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

LEARN MORE ABOUT PBMs AT PBMACCOUNTABILITY.ORG.

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“It [a Berkley Research Group study] showed that only 37% of the price of a drug goes to the pharmaceutical manufacturer, which begs the question. Where does the 63% go? It goes to the PBM. It goes to the middleman. That’s where the problem is.”



U.S. REP. BUDDY CARTER, (R-GA)

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

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“I hope our committee really stands up to what needs to be done relative to PBMs because there is a lot of work to do there.”



U.S. REP. ANNA ESHOO, (D-CA)

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

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“I mean if y’all are looking out for the consumers ..., how can it possibly be that the consumer has to pay more if they used an insurance company that uses one of your affiliates, one of your corporate PBMs?”



U.S. REP. MORGAN GRIFFITH, (R-VA)

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

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“My understanding is that many of these [PBM] arrangements are opaque and hard to decipher. Not only for patients but also for plan sponsors and other participants in the drug supply chain.”



U.S. REP. LISA BLUNT ROCHESTER, (D-DE)

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

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“PBMs have adopted schemes like accumulators and maximizers that’s forcing patients to pay even more out of pocket for their drugs while PBMs, which lack transparency, pocket the money for their own profits.”



U.S. REP. MARIANNETTE MILLER MEEKS, (R-IA)

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

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“I have long been concerned with the lack of transparency in the health care industry, particularly as it relates to healthcare middlemen like pharmacy benefit managers.”



U.S. REP. RICK ALLEN, (R-GA)

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

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“While their size may allow them to negotiate lower drug prices, it also positions them to suppress competition and raise drug costs.”



KAREN VAN NUYS, PhD, Executive Director, Value of Life Sciences Innovation, USC Schaeffer Center

<https://www.formularywatch.com/view/second-senate-committee-heaps-criticism-on-pbms>

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“Patients are facing rising costs at the drug counter, resulting from the growing influence of a small number of pharmacy benefit managers. Due to consolidation within the PBM industry, 80% of all drug claims are adjudicated by three PBMs.”



U.S. REP. BRETT GUTHRIE, (R-KY)

<https://thehill.com/policy/healthcare/3984412-congress-cooperate-drug-prices/>

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“PBMs are able to exploit their role at the center to extract dollars and channel the system into higher priced drugs.”



ROBIN FELDMAN, Director of the Center for Innovation, University of California College of the Law

<https://www.managedhealthcareexecutive.com/view/more-scrutiny-and-criticism-of-pbms>

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“If we’re able to shine that transparency on those rebates, we can actually lower the list price of drugs for all Americans.”



JONATHAN E. LEVITT, Founding Partner, Frier Levitt Attorneys

<https://www.finance.senate.gov/hearings/pharmacy-benefit-managers-and-the-prescription-drug-supply-chain-impact-on-patients-and-taxpayers>

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“Employers, even very large employers, are frustrated by the complexity and opaqueness of the rebate structure.”



ILLYSE SCHUMAN, Senior Vice President, Health Policy, American Benefits Council

<https://energycommerce.house.gov/events/health-subcommittee-legislative-hearing-1>

LEARN MORE ABOUT PBMs AT PBMACCOUNTABILITY.ORG.