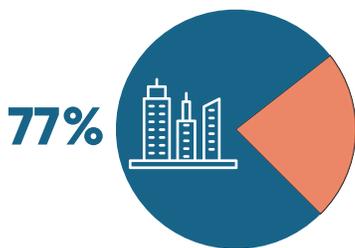


BUILD BACK BETTER BY ADDRESSING PHARMACY BENEFIT MANAGERS

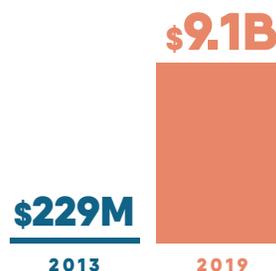
CONGRESS CAN HELP
LOWER HEALTHCARE
COSTS WITH PBM
REFORMS



Americans face unaffordable out-of-pocket costs at the pharmacy counter, while multi-billion dollar corporate middlemen – pharmacy benefit managers, PBMs – have been increasing their profits for decades. While Congress considers increasing regulations on other players in the ecosystem to improve affordability, PBMs have managed to skirt accountability. PBMs continue to adjust their business practices in an unregulated marketplace to generate revenue at the expense of patients, employers, and unions.



The **3 biggest PBMs** controlled roughly **77%** of all U.S. prescription drug claims in 2020.¹



PBM fees charged to pharmacies grew from **\$229 million** in 2013 to an estimated **\$9.1 billion** in 2019.²



PBMs pocketed more than **\$450 billion** in revenue in 2020 – up from less than \$300 billion eight years ago.³



The 3 largest PBMs excluded **846 FDA-approved drugs** from their formulas in 2020, denying patients access to more medications than ever before.⁴

¹ <https://www.drugchannels.net/2021/04/the-top-pharmacy-benefit-managers-pbms.html>

² <https://www.drugchannels.net/2020/02/pharmacy-dir-fees-hit-record-9-billion.html>

³ <https://fortune.com/2021/08/06/pharmacy-benefit-manager-claims-auditing-pbms/>

⁴ <https://www.fiercehealthcare.com/payer/study-drug-utilization-costs-health-industry-93b-a-year-patients-bearing-most-cost>

BUILD BACK BETTER BY ADDRESSING PHARMACY BENEFIT MANAGERS

CONGRESS CAN HELP LOWER HEALTHCARE COSTS WITH PBM REFORMS

PBM
ACCOUNTABILITY
PROJECT



Addressing the PBM problem is something the Administration, States, House and Senate, Republicans and Democrats, can agree on:



“As drug prices continue to rise, states continue to lead the fight against pharmaceutical middlemen who manipulate drug prices and the choice of prescription drugs that patients can access in the market.”



XAVIER BECERRA,
Secretary, U.S. Department of Health and Human Services

<https://oag.ca.gov/news/press-releases/attorney-general-becerra-leads-bipartisan-coalition-defending-states%E2%80%99-rights>



“The pricing supply chain needs a big dose of transparency to rein in anti-competitive shenanigans that cause sticker shock at the pharmacy counter.”



CHUCK GRASSLEY,
U.S. Senator, Iowa

<https://www.thegazette.com/opinion/secretive-pharmacy-middlemen-drive-up-iowans-drug-costs/>



“Without greater transparency of PBMs it is difficult to see how these tactics are benefitting patients at all. If the value for consumers is so great, it shouldn’t be a stretch for PBMs to prove their worth and have an open discussion about their practices.”



JAMES COMER, U.S. Representative, KY

<https://republicans-oversight.house.gov/release/comer-congress-must-review-pbms-role-in-rising-prescription-drug-prices/>



“I think if we want to tackle prescription drug pricing we’ve got to go after PBMs, we’ve got to go after insurers, we’ve got to go after providers. Because it’s often not just the manufacturer that is responsible for the sticker shock that people are experiencing when they go to the pharmacy counter.”



TIM KAINE, U.S. Senator, Virginia

<https://www.washingtonpost.com/politics/2021/11/29/big-pharma-isnt-only-powerful-player-prescription-drug-pricing-fight/>

It is not possible to lower drug costs without looking at PBMs and their role.

A Senate Finance Committee report on insulin prices found that rebates to PBMs are ultimately not helping patients save on lifesaving medication.

Typically, PBMs base patient cost share on the list price of medicines, rather than the net price after rebates have been discounted. One analysis⁵ found that the list price of one insulin product increased by 141 percent despite a 53% decline in net price. PBMs profit when list prices are higher.

The Creating Transparency to Have Drug Rebates Unlocked Act of 2019 (C-THRU Act) aims to pass along PBM discounts to patients, directly lowering out-of-pocket costs.

If Congress is serious about prescription drug affordability, the Build Back Better Act could provide an immediate opportunity to

- establish PBM reporting requirements to increase transparency of PBM practices
- ensure rebates are passed on to patients and employers and unions who fund their own health plans
- base beneficiary cost-sharing at the pharmacy counter on the net (or post-rebate) price of a drug rather than the original list price

We need greater transparency of PBM practices so that legislators can better understand how to fix our broken drug pricing system.

⁵ <https://www.drugchannels.net/2020/08/five-top-drugmakers-reveal-list-vs-net.html>

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