

**PBM's:**

# DID YOU KNOW?

## How Pharmacy Benefit Managers Profit at the Expense of Others

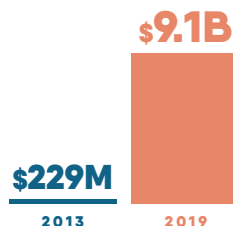
PBM  
ACCOUNTABILITY  
PROJECT



Multi-billion dollar corporate middlemen – PBMs – have come under intense scrutiny for driving up the cost of medicines for their own financial gain. PBMs' shell games have negatively impacted patients, small businesses, local pharmacies, state governments, and taxpayers for years.

## DID YOU KNOW?

Pharmacies were hit with an estimated **\$9.1 billion** in fees from PBMs in 2019 compared to **\$229 million** in 2013.<sup>1</sup> The total amount of pharmacy DIR fees from PBMs **increased by 450 times** from 2010 to 2017.<sup>2</sup>



**The three largest PBMs** excluded **1,800+ drugs** from their formularies in 2023. The number has grown dramatically since the practice of formulary exclusion began in 2012, meaning that PBMs are denying coverage for more medications than ever before.<sup>3</sup>

PBMs use increasingly complex tactics to claw back money from pharmacies months or even years after drugs are dispensed – including through audits. The average audit in **2020 cost pharmacies \$23,978** – 35% more than the annual average over the previous five years.<sup>4</sup>



**The top three PBMs** created their **own group purchasing organizations (GPOs)** – two of which are located overseas – adding another layer of complication to the drug pricing process.<sup>5</sup>



PBM-affiliated pharmacies are making **18 to 109 times more profit** over the cost of the drugs than the typical community pharmacy.<sup>6</sup>

**Only three PBMs** process about **80%** of all equivalent prescription drug claims.<sup>7</sup>



**Five of the six** largest PBMs are **closely tied** to health insurance companies.<sup>7</sup>



PBMs pocketed more than **\$492 billion** in revenue in 2022 – up from **\$197 billion** in 2012: a 250% increase.<sup>8</sup>

1. <https://www.drugchannels.net/2020/02/pharmacy-dir-fees-hit-record-9-billion.html>  
2. <https://www.healthaffairs.org/doi/10.1377/hblog20210714.70749/full/>  
3. <https://www.drugchannels.net/2023/01/the-big-three-pbms-2023-formulary.html#:~:text=These%20criteria%20have%20led%20many,one%20year%20from%20one%20PBM.>  
4. <https://fortune.com/2021/08/06/pharmacy-benefit-manager-claims-auditing-pbms/>

5. <https://www.managedhealthcareexecutive.com/view/pbms-are-creating-gpos-and-stirring-debate-as-to-why>  
6. <https://m.washingtontimes.com/news/2021/jun/29/cut-out-the-middleman-and-getprescription-drug-pr/>  
7. <https://www.drugchannels.net/2023/05/the-top-pharmacy-benefit-managers-of.html>  
8. <https://wendellpotter.substack.com/p/big-insurance-2022-revenues-reached>