

Statement for the Record: The National Community Pharmacists Association (NCPA)

United States Senate Committee on Commerce, Science, and Transportation

Hearing: “Bringing Transparency and Accountability to Pharmacy Benefit Managers”

February 16, 2023

Chair Cantwell, Ranking Member Cruz, and Members of the Committee:

Thank you for conducting this hearing on pharmacy benefit managers and the need for transparency on their anticompetitive practices that harm patients and small business pharmacies. In this statement, NCPA offers support for S.127, the Pharmacy Benefit Manager Transparency Act of 2023, which would provide plan sponsors/employers much needed transparency on how PBMs administer their pharmacy benefit and clarify the Federal Trade Commission’s enforcement authority to prohibit unfair or deceptive business practices in which PBM-insurers engage in the commercial health insurance market.

NCPA represents America’s community pharmacists, including 19,400 independent community pharmacies. Almost half of all community pharmacies provide long-term care (LTC) services and play a critical role in ensuring patients have immediate access to medications in both community and LTC settings. Together, our members represent a \$78.5 billion health care marketplace, employ 240,000 individuals, and provide an expanding set of health care services to millions of patients every day. Our members are small business owners who are among America’s most accessible health care providers.

Our pharmacies and the patients they serve have long had concerns about PBM-insurers, their anticompetitive practices, and the role they play in ever-increasing drug costs. PBM-insurer practices continue to cause these small businesses to struggle to remain viable and open to provide continued access and care. We appreciate the longstanding efforts of Chair Cantwell and Senator Grassley to address these practices and the negative impact they have on patients and small business independent pharmacies with the introduction of this legislation last Congress and its advancement through the Commerce Committee on a bipartisan basis.

NCPA has been proud to work with the sponsors of this legislation since its introduction last Congress as it would bring much needed transparency to and ultimately stop PBM- insurers’ unjust and deceptive practices. For years, NCPA has highlighted the problems posed by increasing consolidation in the health care industry, specifically that three PBM-insurers now control approximately 80 percent of the market. Advancing this legislation will clarify the FTC’s enforcement authority when addressing the deceptive and anti-competitive business

practices perpetrated by the consolidated PBM-insurer industry, including spread pricing and clawbacks.

NCPA applauds the committee for holding this important legislative hearing, and we support passage of S.127, the Pharmacy Benefit Manager Transparency Act of 2023. As the bill advances through the Senate Commerce Committee, NCPA hopes that the bill language will be tightened to ensure provisions align with many state laws. NCPA thanks Chair Cantwell and Senator Grassley for your leadership in addressing this issue, and we look forward to working with you to get this bipartisan legislation across the finish line this Congress.