2023

INDEPENDENT COMMUNITY PHARMACY LEGISLATIVE PRIORITIES

H.R.2880
The Protecting Patients Against PBM Abuses Act

Background:
Insurance middlemen known as pharmacy benefit managers (PBMs) often impede Medicare Part D beneficiary access to affordable prescription drugs. The three largest PBMs (Caremark owned by CVS Health which also owns Aetna, Express Scripts owned by Cigna, and Optum owned by UnitedHealthcare) are vertically integrated and control 80 percent of the market today. The anticompetitive tactics employed by vertically integrated PBMs raise conflict of interest concerns. PBMs determine which drug a patient can access and which pharmacy the patient must use. This leads to PBMS including the most highly-rebated drugs on formularies as preferred drugs over lower cost generic alternatives. Meanwhile, PBMs steer patients to pharmacies the PBMs own or are affiliated with. A recent MedPAC presentation indicated that vertically integrated PBMs in Medicare Part D may be benefiting from higher reimbursements to their own pharmacies while increasing costs to the Part D program. This has created a perverse incentive for PBMs to drive up costs for patients and limit patient access to pharmacies of their choice.

Solution:
Reps. Buddy Carter (R-Ga.), Lisa Blunt Rochester (D-Del.), Nicole Malliotakis (R-N.Y.), and Jake Auchincloss (D-Mass.) introduced **H.R. 2880**, the *Protecting Patients Against PBM Abuses Act*, which would protect patients, taxpayers and pharmacies from harmful PBM practices that make high-quality health care inaccessible and unaffordable. Specifically, it would:

- Prohibit PBMs from reimbursing non-affiliated pharmacies at a rate less than they reimburse their own pharmacies, thus removing incentives to steer patients.
- Delink PBM compensation from the cost of medications so that PBMs are no longer benefiting from ever increasing list prices and rebates.
- Prohibit spread pricing in the Medicare Part D program.
- Increase transparency by requiring PBMs to publicly report all rebates and fees they receive from drug manufacturers.

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Founded in 1898, the National Community Pharmacists Association is the voice for the community pharmacist, representing over 19,400 pharmacies that employ nearly 240,000 individuals nationwide. Community pharmacies are rooted in the communities where they are located and are among America's most accessible health care providers. For more information visit ncpa.org.