Congress of the United States

Washington, DC 20515

March 15, 2024

The Hon. Mike Johnson Speaker of the House U.S. House of Representatives H-232 The Capitol Washington, DC 20515 The Hon. Hakeem Jeffries House Democratic Leader U.S. House of Representatives H-204 The Capitol Washington, DC 20515

Dear Speaker Johnson and Leader Jeffries:

We write to call attention to the immediate need to enact pharmacy benefit manager (PBM) reforms to reduce Americans' prescription drug costs and protect pharmacy businesses across our country.

Already in the 118th Congress, bipartisan legislation has advanced, addressing specific practices that for far too long have threatened patient access to pharmacies that serve communities nationwide. The House also acted on December 11, 2023, with a broad bipartisan vote to pass H.R. 5378, the *Lower Costs*, *More Transparency Act*, a bill that provides important components of PBM reform.

We have an opportunity now to advance bipartisan legislation that saves significant taxpayer money in state Medicaid managed care programs and also – for the first time – enforces reasonable and relevant terms that support pharmacy's ability to serve patients. Further, we are pleased to champion reporting requirements which would increase transparency by shining a light on the opaque drug pricing system PBM's rely on. We also have a great opportunity to hold PBMs accountable and lower health care costs for seniors by delinking PBMs' compensation from drug prices in Medicare Part D to address the current misaligned incentives that are driving up costs for seniors. There are few issues that unite members of the 118th Congress like reforms that result in savings and accountability.

The Centers for Medicare & Medicaid Services (CMS) recently wrote to PBMs and plans: "We are hearing an increasing number of concerns about certain practices by some plans and [PBMs] that threaten the sustainability of many pharmacies, impede access to care, and put increased burden on health care providers." We have heard directly from our constituents that harmful and aggressive tactics of some PBMs seem to have gotten even worse in 2024, and that action is needed now to protect pharmacies. Many of our constituents report that some PBMs are reimbursing pharmacies even further below the pharmacies' cost for the prescriptions that they fill – especially in Medicare.

In fact, in 2023 there were over 300 independent pharmacy net closures – almost one a day.¹ Pharmacists are some of the most accessible health care professionals in America — 95% of Americans live within five miles of a pharmacy.² Pharmacists are also among the most highly trusted health care professionals. Patients count on their training and expertise to stay healthy and informed. Yet, PBMs'

¹ https://ncpa.org/sites/default/files/2024-02/2.27.2024-NCPAtoCMS-DIRconcerns-surveyresults.pdf

² 1 NCPDP Pharmacy File, ArcGIS Census Tract File. NACDS Economics Department.

anti-competitive business practices are putting pharmacies out of business and removing patients' access to care. We now have "pharmacy deserts" in rural and underserved communities, where the neighborhood pharmacy may be the only health care provider for miles. That's affecting the accessibility, affordability, and quality of health care, counter to the efforts of policymakers.

Immediate action is needed to address these harmful practices by PBMs. Americans deserve and expect protection from inflated prescription drug costs, from forced pharmacy closures, and from barriers to their pharmacy of choice that result from PBM tactics. We urge you to work with us to enact specific PBM reforms that address these concerns and capitalize on the bipartisan effort and momentum in the House.

Sincerely,

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/s/

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