

United States Senate

WASHINGTON, DC 20510

[[DATE]]

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Schumer and Minority Leader McConnell,

We write to encourage you to include critically-needed Pharmacy Benefit Manager (PBM) reforms in any legislative vehicle that may be brought up for a vote at the end of the 118th Congress.

A number of committees in both the Senate and the House have passed meaningful legislation that would rein in certain PBM practices that harm patients and local pharmacies. In the Senate, the Senate Finance Committee nearly unanimously passed the *Modernizing and Ensuring PBM Accountability Act* and the *Better Mental Health Care, Lower-Cost Drugs, and Extenders Act*. The Health, Education, Labor, and Pensions (HELP) Committee passed a number of bills as well. These proposed policies would increase transparency, realign incentives for PBMs and patients, ensure pharmacies are adequately reimbursed, and ensure that patients benefit from decreased drug costs.

To not advance these important policies before the end of this Congress would be a waste of substantial progress made and would deny patients and pharmacists across the country the relief they deserve.

In December of last year, the Centers for Medicare & Medicaid Services (CMS) 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.”¹ More recently, the Federal Trade Commission (FTC) released an interim report which noted that “PBMs can often exercise significant control over which drugs are available, at what price, and which pharmacies patients can use to access their prescribed medications,”² and filed a complaint alleging that “PBMs have abused their economic power by rigging pharmaceutical supply chain competition in their favor, forcing patients to pay more for life-saving medication.”³

¹ <https://www.cms.gov/newsroom/fact-sheets/cms-letter-plans-and-pharmacy-benefit-managers>

² https://www.ftc.gov/system/files/ftc_gov/pdf/pharmacy-benefit-managers-staff-report.pdf

³ <https://www.ftc.gov/news-events/news/press-releases/2024/09/ftc-sues-prescription-drug-middlemen-artificially-inflating-insulin-drug-prices#:~:text=Today%2C%20the%20Federal%20Trade%20Commission%20brought%20action%20against,of%20high%20insulin%20list%20prices%20to%20vulnerable%20patients.>

The need to act is more severe now than ever before. In 2023 there were over 300 independent pharmacy net closures – almost one per day.⁴ Unfortunately, that trend has only grown in 2024. Pharmacies in our states have been forced to close their doors because PBMs have continued to reimburse them significantly less than it costs the pharmacy to even purchase the drug. This is unsustainable, especially for small family businesses. The impacts of these closures only hurt already-struggling communities by decreasing the number of quality health care providers and likely increasing costs for seniors.

Should any long-term policy priorities be attached to an end-of- year spending package, PBM reforms should be included in order to end the 118th Congress with success that will help protect pharmacies and decrease costs for patients across the country.

[[CLOSING]]

[[SIGNATURES]]

⁴ <https://ncpa.org/sites/default/files/2024-02/2.27.2024-NCPAtoCMS-DIRconcerns-surveyresults.pdf>