

PUTTING PATIENTS FIRST IN PBM REFORM



For the hundreds of millions of Americans who live with chronic conditions, affording their medication is a major barrier to living a healthy and full life. This can be an extra challenge when costs can change dramatically and unpredictably, and pharmacy benefit managers (PBMs) are a big part of the problem.

PBMs were initially established to simply process prescription drug claims. However, due to massive growth in their scale and market consolidation, PBMs now touch –and profit from– every part of the drug supply chain.

- They determine drug coverage and cost-sharing for approximately 220 million people
- They own retail, mail-order, and specialty pharmacies
- They negotiate discounts and rebates from drug manufacturers, but instead of passing the savings to patients, they charge patients the same high price.

When medication is too expensive, patients tend to ration their medications. Unfortunately, this can mean the patient is getting such a low dose that they're not benefiting from the medicine at all. This leads to worse health outcomes, greater financial instability, and more tragic consequences.

Policymakers at the state and federal level are working to reign in PBM shortcomings, while still recognizing the important functional role they play. Most of the proposed PBM fixes are around pricing transparency rules that would prohibit deceptive marketing practices, equip regulators to enforce those standards, and protect whistleblowers. Other requirements could include mandating that PBMs report their drug pricing practices, including rebate data, out-of-pocket costs, and total spending. The most important thing is that patients, not PBMs, get the benefit of negotiated discounts.



29% of chronic disease patients report that because of the cost of treatment, they sometimes have to choose between medication and other basic necessities like rent, food, or school.

Chronic Disease Coalition
2024 National Survey

