

# 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 are a big part of the system problem.

Pharmacy benefit managers (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 ~220 million people
- They own retail, mail-order, and specialty pharmacies
- They negotiate and collect discounts and rebates from drug manufacturers under the guise of “lowering drug costs” - but then sell patients those discounted medications at the same high price.

Desperate to make medications more affordable, too many patients are rationing their medications. Unfortunately, this can mean the patient is getting such a low dose that they’re not benefitting from the medicine at all. This leads to worse health outcomes, greater financial instability, and more tragic consequences.

Policy makers 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 unfair or deceptive marketing practices, equip regulators to enforce those standards, and protect whistleblowers. Other requirements could include mandating that PBMs report their drug pricing practices to the health plans, including rebate data, out-of-pocket costs, and total spending.

## 29%

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

Chronic Disease Coalition  
2024 National Survey

**24%** of chronic disease patients report that because of the cost of treatment, they sometimes have to make choices between medication, and other basic necessities like rent, food, or school. - Chronic Disease Coalition 2024 National Survey

