

COMPREHENSIVE PBM REFORMS



4 WAYS TO ENSURE CALIFORNIANS HAVE AFFORDABLE ACCESS TO MEDICINE

Congress should support patient access by de-linking PBM revenues from the cost of the medicine by passing the *DRUG Act* (H.R. 2214) and protect patients from higher cost-sharing by passing the *HELP Copays Act* (S. 864).

STOPPING PBMS FROM ABUSING THEIR POWER

Pharmacy Benefit Managers (PBMs) play a large role in determining prices, formulary placement, and medication access for patients. Unfortunately, misaligned incentives and a lack of transparency by PBMs have led to increased costs and limited patient choice. In fact, PBMs are marking up drug prices by as much as 3,390%, generating over \$7.3 billion of revenue in excess of their estimated cost.

PREVENTING PATIENT STEERING, RESTRICTIVE PHARMACY CONTRACTING

PBM contracting services are straining the finances of pharmacies and dictating where patients can receive care. PBMs will often direct patients to pharmacies they own and charge those pharmacies less than what independent pharmacies must pay. These PBM behaviors are directly contributing to pharmacy closures in the state.

DELINKING PBM COMPENSATION FROM DRUG PRICE

Currently rebates and administrative fees that PBMs receive are calculated as a percentage of a drug's list price, leading PBMs to favor drugs with higher list prices and larger rebates so that PBMs can collect higher revenues. PBM compensation should not be based on the list price of medicines. **The *Delinking Revenue from Unfair Gouging (DRUG) Act* breaks the connection between PBM revenue and the drug price.**

PROHIBITING BARRIERS TO COPAY ASSISTANCE

PBMs and insurers have created barriers to patients trying to utilize manufacturer copay assistance by exploiting this assistance, preventing the copay assistance from counting towards a patient's out of pocket costs, only dollars directly paid by the patient counts. **The *Help Ensure Lower Patient (HELP) Copays Act* allows third-party payments provided to patients by manufacturers to be used to decrease the burden of their copays.**

GIVE PATIENTS CHOICES



In 2022, the three largest PBMs, controlled 80% of the U.S. marketplace, and excluded more than 1,150 medicines from standard insurance formularies.

KEEP PHARMACISTS IN COMMUNITIES



In 2023, there were over 300 net independent pharmacy closures —almost one less pharmacy open for patients a day and overall there were about 2,200 fewer retail pharmacies than there were four years ago.

SAVE PATIENTS MONEY



In a "De-linked Business Model" patients see up to 20% reductions in drug costs.

COUNT ALL COPAYS



Nearly two-thirds of patients abandon their prescriptions when their out-of-pocket costs exceed \$250.