



HEALTH EQUITY COLLABORATIVE

December 1, 2021

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

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

Dear Majority Leader Schumer and Minority Leader McConnell,

On behalf of the Health Equity Collaborative, we applaud the historic House passage of the Build Back Better Act, our nation's most significant investment in addressing the social determinants of health and improving health outcomes. From strengthening ACA, expanding Medicaid access, prioritizing maternal health, combatting food insecurity, and first national and comprehensive paid leave policy, this sweeping package takes monumental steps to advance health equity. Our organization stands in strong support of many of the healthcare reforms included in the package, which will expand access and lower costs for underserved communities.

As you and your Senate colleagues consider this legislation, we would like to call your attention to the current absence of provisions focused on examining the role of pharmacy benefit managers (PBMS) in the pharmaceutical supply chain. With out-of-pocket costs at an all-time high, it is imperative Congress includes legislative reforms capable of bringing much-needed transparency and oversight to the drug pricing rebate system as part of the Build Back Better Act.

Confronting the rising cost of healthcare has been a longtime priority of the Health Equity Collaborative and was a key guideline in our [letter addressing health equity](#) signed by 34 leading organizations to the Biden Administration and the 117th Congress. It is our strong belief every industry stakeholder, including PBMs, must be held accountable for predatory practices and rampant profiteering at the expense of our most vulnerable patients.

Pharmacy benefit managers (PBMs) often fly under the radar and have largely remained unregulated while prices continue to escalate. These for-profit administrators act as de-facto middlemen on behalf of plans between manufacturers and retailers, deciding what medicines will or won't be covered and what prices consumers pay at the pharmacy counter. Drug rebates have skyrocketed [from \\$102 billion in 2014 to \\$187 billion in 2020](#), with PBMs continuing to pocket outsized profits from these disbursements intended for patients. Despite wielding significant power to control costs, PBMs have directly benefitted from a lack of oversight in the rebate market while maintaining a vested interest in keeping higher, not lower, drug prices. Lawmakers' increased scrutiny is necessary to ensure our drug rebate system benefits patients, not just PBMs and their shareholders.

Fortunately, [bipartisan legislation](#) championed by Sen. Ron Wyden in the last Congress would take significant steps towards ensuring greater transparency in the drug supply chain. This Bill would codify several steps to improve transparency would require PBMs to publicly disclose data regarding rebates, discounts, and other accrued payments and assess their impact on Medicare Part D beneficiaries and the Part D program overall. Inclusion of the C-Thru Act or similar legislation that requires transparency around rebates in Build Back Better would give HHS a more complete understanding about the role of PBMs in pharmaceutical spending and where further reforms may be needed.



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There is no health equity without health justice, and there will be no long-term solutions unless we dismantle structural barriers that preclude people from accessing affordable medicines. At this critical moment, congressional action is needed to identify and reform any perceived misaligned incentives or anti-competitive practices in the healthcare supply chain.

While America's underserved and diverse communities have many provisions to celebrate in the recent Build Back Better, legislation that would bring transparency to the opaque, broken drug pricing rebate system is imperative to lowering costs for underserved patients at the pharmacy counter. Therefore, the Health Equity Collaborative urges the Senate to amend Build Back Better to include necessary provisions (such as the C-THRU Act) which would promote accountability and bring down healthcare costs for patients. We respectfully request you join us in supporting these necessary reforms.

Sincerely,

Amy Hinojosa,  
Founding Member, Health Equity Collaborative  
President and CEO, MANA, A National Latina Organization