

# BUILD BACK BETTER'S OPPORTUNITY TO CONFRONT THE RISING COST OF HEALTHCARE DRIVEN BY PHARMACY BENEFIT MANAGERS



HEALTH EQUITY COLLABORATIVE

Confronting the rising cost of healthcare has been a longtime priority of the Health Equity Collaborative. And While America's underserved and diverse communities have many provisions to celebrate in the recent Build Back Better legislation, Congress and the White House have ignored a significant cause of the high cost of prescription drugs impacting our communities – the rebate schemes used by unregulated middlemen known pharmacy benefit managers.

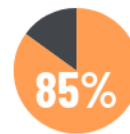
## PBMs Act as Middlemen

PBMs are for-profit administrators who act as de-facto middlemen on behalf of plans between manufacturers and retailers, deciding what medicines will, or won't be covered, and at what prices consumers pay at the pharmacy counter.



## PBM Market Control

The PBM industry has grown and consolidated rapidly in recent decades. Currently, only three PBM companies control 85% percent of the entire market. This lack of choice allows them oppressive market power to generate record profits.



- CVS Health
- Express Scripts
- OptumRx

## PBM Impact on Patient's Out-of-Pocket Cost

In January 2021, the United States Senate Finance Committee released an investigative report on pricing schemes and cited, "PBM's formularies of covered drugs can affect patient's out-of-pockets spending for up to 50% of their co-pay."



## PBM Profits

Drug rebates have skyrocketed from \$102 billion in 2014 to \$187 billion in 2020.



## What Groups are Saying about PBMs

HEC, along with 33 other diverse organizations sent a Health Equity Guidelines letter to the Biden Administration and the 117th Congress stating, "Pharmacy Benefit Managers (PBM) are largely unregulated yet have excessive influence over pharmacies and patients. PBM's near-monopoly results in high drug prices, pharmacy anti-competitiveness, and reimbursement issues."



## PBMs Lack of Transparency

PBMs continue to directly benefit from the lack of transparency in the rebate market and have a vested interest in keeping higher, not lower drug prices.



## Holding PBMs Accountable

Fortunately, Senator Ron Wyden has introduced legislation that would help bring transparency to the opaque, broken drug pricing rebate system. And he should fight to hold PBMs accountable as part of the Build Back Better Act, in order to lower what individuals pay at the pharmacy counter. With our common goal of lowering prescription drug costs for underserved and diverse communities, it's time to demand transparency from the middleman.

