**Patient Concerns with PBM Policies**

Patients and their families trust their healthcare providers to prescribe the right treatments for them; being able to access those treatments is important for managing their health and chronic conditions. Unfortunately, Pharmacy Benefit Managers (PBMs) create obstacles to accessing treatments by creating barriers, driving up costs, and limiting access to medications. PBMs also institute utilization management tools – like step therapy and other harmful policies like copay accumulator policies – that can worsen health conditions and limit usefulness of financial assistance.

**PBM Policies Are Designed to Be Barriers to Utilizing Medicines[[1]](#footnote-1):** PBM policies can be detrimental to patients by requiring fail first policies, limiting their access to medications and increasing out-of-pocket costs. PBM practices can get between patients and their healthcare providers by imposing limited drug formularies, creating adverse tiering, requiring prior authorizations, and utilizing other practices that create barriers for patients to maintain health regimens.

**PBM Policies Shift Cost Burdens onto Sick Patients[[2]](#footnote-2):** PBMs have taken advantage of the lack of transparency and oversight to implement policies that shift a greater share of the cost burden onto sick patients:

* **Negotiated Rebates Benefit PBMs, Not Patients:** PBMs negotiate rebates on prescription drugs with manufacturers but seem to pocket the profits from these rebates, rather than passing them along to patients. While PBMs report higher and higher profits, patients already struggling with health care costs are left paying the undiscounted price for their medications.
* **Copay Accumulator Policies Let Plans Collect Payments While Making Patients Pay:**[[3]](#footnote-3)Copay accumulator programs exclude copay assistance from counting toward patient deductibles and out-of-pocket maximums. This drives up patient out-of-pocket costs, and, in some instances, puts medications out of reach for struggling patients reliant on brand medications. Often there are limited treatments for people with chronic disease, and generic medications are not available or are not as effective for the individual patient.

**FTC Investigates Issues with PBMs4:** The Federal Trade Commission (FTC) recently published an interim report on PBMs, highlighting the negative impact they have on drug accessibility and affordability. The report details how vertical integration and market concentration enable PBMs to profit at the expense of patients and independent pharmacies. The FTC emphasizes the need for transparency and accountability in PBM practices to ensure fair access to medications.

**NYT Highlights PBM Practices5:** A recent New York Times investigation delves into how PBMs drive up drug costs for millions of Americans. The report reveals that PBMs often steer patients toward more expensive drugs, impose higher markups, and extract hidden fees, all while reducing the competitiveness of independent pharmacies. This practice not only inflates drug prices but also restricts access to essential medications for many patients.

**Congress Must Act to Protect Patients:** Patients shouldn’t be forced to forego treatments because of PBM policies that drive up costs for patients. Therefore, we urge Congress to protect patients by pursuing meaningful PBM reforms:

* Pass federal legislation that would **require transparency into PBM business practices and agreements** to ensure that they perform their services in the best interest of payers, employers, and, most importantly, patients.
* Mandate that **all negotiated discounts and rebates must be passed directly to consumers** to help drive down overall drug costs and increase patient access.
* **Pass the Help Ensure Lower Patient (HELP) Copays Act** which would ensure that all copayments made by or on behalf of a patient count toward their deductible and out-of-pocket limit so that patients can access the medications they need.
1. <https://aidsinstitute.net/documents/TAI-Report-Copay-Accumulator-Adjustment-Programs-2023.pdf> [↑](#footnote-ref-1)
2. <https://chroniccarealliance.org/wp-content/uploads/2023/05/CCPA-Copay-Accumulator-Issue-Brief.pdf> [↑](#footnote-ref-2)
3. <https://aidsinstitute.net/documents/TAI-Report-Copay-Accumulator-Adjustment-Programs-2023.pdf>

4 <https://www.ftc.gov/news-events/news/press-releases/2024/07/ftc-releases-interim-staff-report-prescription-drug-middlemen>

5 <https://www.nytimes.com/2024/06/21/business/prescription-drug-costs-pbm.html> [↑](#footnote-ref-3)