2019 Florida Pharmacy Coalition PBM talking points DRAFT PBM FACTS
Please review video: https://www.phrma.org/report/follow-the-dollar-report

Pharmacy Benefit Managers (PBMs) [1]
PBMs are third-party administrators contracted by health plans, large employers, unions and government entities to manage prescription drug benefits programs. Originally intended to process claims on behalf of clients, PBMs profit at every stage of the supply chain from drug maker to patient. Currently the three largest PBMs - CVS Caremark, Express Scripts and OptumRx (a division of United Healthcare) hold nearly 80% of the prescription benefits market in the U.S. This is driving up drug costs paid by patients.

PBMs are often called "***invisible*** **middleman"** because they are hidden between pharma, an insurance company, the pharmacy, and the patient. PBMs are **driving up drug costs** unnecessarily by pocketing rebates that should belong to the insurance payers and patients. In Ohio alone one PBM pocketed nearly $224 million in taxpayer dollars last year in the Ohio Medicaid Program [2]. Patients should benefit from negotiated rebates in the form of lower out-of-pocket costs at the pharmacy, just like they do for other types of health care services.

PBMs are driving up health care costs by causing patients the inability to afford medications.
In 2017, 69 percent of commercially insured patients did not fill their new prescriptions when they had to pay more than $250 out of pocket, while only about 11 percent of patients with out-of-pocket costs of less than $30 abandoned their prescriptions at the pharmacy. [3] A review published in the Annals of Internal Medicine estimates that a lack of prescription drug adherence causes 10 percent of hospitalizations and costs the already strained healthcare system between $100–$289 billion a year. [4]

PBM pricing transparency is critical to controlling OVERALL health care costs including a reduction in hospitalizations.
The way to reduce drug costs is to increase competition not remove it. Patients, employers, unions, health plans, and the various state and federal government agencies involved in paying for prescription drugs deserve the right to know the true cost of medications reimbursed to pharmacy providers versus what they are charged by PBMs. There can't be true accountability of prescription costs until there is full transparency of the extensive administrative costs, pharmacy network transaction fees, pharmaceutical rebates, and pharmacy provider reimbursements created and controlled by PBMs.

PBMs restrict patient access by forcing patients to use pharmacies owned by the PBM.
For example, CVS Caremark requires patients use CVS pharmacies or CVS Mail service rather than the pharmacy of the patients' choice. PBMs also establish prescription drug program plan designs and formularies that restrict patients from getting chronic medications and specialty drugs from local, independent pharmacies in favor of the PBM's owned and operated Specialty or Mail Order Pharmacies.

PBMs are the only entity in healthcare that remains unregulated and that's harmful for patients, health care consumers, payers, providers and taxed funded plans. =
The PBMs send their auditors to evaluate small business pharmacies looking for paperwork deficiencies to remove prior reimbursement. This practice disadvantages small business pharmacies by financially exploiting them through undermining reimbursement.

2018 Legislative Successes:
GAG clause was removed. The GAG order legally imposed sanctions against pharmacists who told the patient it was cheaper to pay cash than use their prescription insurance plan. It also required PBM's operating in Florida to register with the Florida Office of Insurance Regulation (OIR), however, oversight and regulation of PBMs by OIR or any other state agency has not been formally designated by the Florida Legislature.

Pharmacists advocate for:

Prescription Price transparency for ALL patients, payers, providers and tax funded plans:

1. PBMs should be subjected to the **Florida Deceptive Unfair Trade Practices Act**
    - Ensure a "fair playing field" for all pharmacies by not allowing PBMs competing with small business pharmacies to disadvantage those same pharmacies by financially exploiting and undermining reimbursement through unfair audits and recoupments.
    - Require pharmacy audits be conducted by non-affiliated third party audit firms, not an employee or business segment of the PBM that is has a conflict of interest. Ensure audits are conducted consistently and fairly for all pharmacies, including those owned or contracted by the PBM or its parent companies.
    - For incidental, clerical and non-fraudulent findings during an audit, prohibit recoupments of all reimbursements by PBM auditors from pharmacies for the original prescription and subsequent refills.

2. PBMs may NOT restrict a patient's choice to using only pharmacies owned or contracted by the PBM when other pharmacies can provide same services, convenience and pricing. Allow **patients to choose** the pharmacy where they want to fill the prescription.

3. PBMs should utilize a standardized drug pricing data base, National Average Drug Acquisition Cost (NADAC), administered by the Centers for Medicare & Medicaid Services (CMS) and maintained at https://data.medicaid.gov, for prescription drug pricing.

4. PBMs should be required to report and share pharmaceutical manufacturer drug rebates with prescription drug program plan sponsors and enrolled patients.

References

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5) Viswanathan M, Golin CE, Jones CD, Ashok M, Blalock SJ, Wines RC, et al. Interventions to Improve Adherence to Self-administered Medications for Chronic Diseases in the United States: A Systematic Review. Ann Intern Med. ;157:785–795. doi: 10.7326/0003-4819-157-11-201212040-00538.