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PHARMACISTS SOCIETY OF THE STATE OF NEW YORK ENDORSES WHITE HOUSE REPORT CALLING OUT PBMS FOR “UNDUE MARKET POWER”

The Pharmacist Society of the State of New York (PSSNY) endorses a [new report by the White House Council of Economic Advisors](#) (CEA) that addresses the affordability of healthcare and prescription medication and specifically calls out pharmacy benefit managers (PBMs) for anti-competitive practices that have led to “outsized profits” at the expense of the American public.

The report draws attention to a number of alarming issues, including:

Lack of competition - Noting the high degree of concentration and relatively few competitors, the report states “Three PBMs account for 85 percent of the market, which allows them to exercise undue market power against manufacturers and against the health plans and beneficiaries they are supposed to be representing.”

Lack of transparency resulting in artificially higher drug prices - Stating “The size of manufacturer rebates and the percentage of the rebate passed on to health plans and patients are secret. The system encourages manufacturers to set artificially high list prices, which are reduced via manufacturers’ rebates but leave uninsured individuals facing high drug prices.”

Profiteering - Pinpointing how a small number of large competitors use a system of negotiating that ultimately results in “generating outsized profits for themselves”, with “over 20 percent of spending on prescription drugs ... taken in as profit by the pharmaceutical distribution system.”

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American Society of Consultant Pharmacists
National Alliance of State Pharmacy Associations
National Community Pharmacists Association

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The CEA asserts the need for policies that promote competition as a potential solution to the escalating drug prices that have become the hallmark of the nation's healthcare crisis - a point community pharmacy has made for many years.

PSSNY thanks the CEA for bringing attention to certain anticompetitive practices that characterize the PBM business model. We fully endorse and support the CEA's recommendations for increasing competition and look forward to the result a transparent, fair, and robustly competitive environment will provide for the nation's healthcare system.

The Pharmacists Society of the State of New York (PSSNY) has served as the society for the state's pharmacists for more than 138 years providing advocacy and resources to pharmacists to improve patient care. To learn more about PSSNY, visit www.PSSNY.org.

