

# The Pharmacy Benefit Manager (PBM) Accountability Study Act (H.R. 1829)

One of the least understood components of prescription drug spending and pricing in the U.S. is the role played by Pharmacy Benefit Managers (PBMs). PBMs have a tremendous impact on our health care choices due to the fact that they administer drug plan coverage for more than 260 million Americans.

Medicare, Medicaid and commercial health plans all use PBMs to manage drug benefits. PBMs wield enormous power as middlemen on a number of fronts: they (1) choose what drugs are covered by insurance; (2) negotiate purchasing deals with drug makers; (3) determine co-pays for consumers; (4) decide which pharmacies will be included in prescription plans; and (5) decide how much pharmacies are reimbursed for the drugs they sell. With all of these influential roles PBMs play, it has never been clear or transparent how PBMs impact drug prices and spending, or how their practices affect consumer choices and access to small and independent pharmacies.

To help policymakers understand these important issues, ***The Pharmacy Benefit Manager (PBM) Accountability Study Act (H.R. 1829)*** would require the Government Accountability Office (GAO) to study and report back to Congress meaningful data such as:

- the roles that PBMs play in pharmaceutical supply chains;
- the state of competition in the industry;
- PBMs' use of prior authorization, step therapy and rebates, and how much of rebates are going to patients and payors vs. how much is kept by PBMs;
- whether PBMs structure their formularies in favor of high-rebate prescription drugs over lower-cost, lower-rebate alternatives; and
- the extent to which the price PBMs charge for a drug to government programs and private health insurance plans is more than they pay pharmacies for the drug.

**Importantly, H.R. 1829 would also require the GAO to make legislative recommendations to Congress in the critical areas of:**

- ✓ ***Lowering the cost of prescription drugs for consumers and payors;***
- ✓ ***Improving efficiencies in pharmaceutical supply chains by lowering intermediary costs;***
- ✓ ***Improving competition in pharmacy benefit management; and***
- ✓ ***Providing transparency in pharmacy benefit management.***

Any Congressional actions to lower drug prices would be incomplete and lacking without ensuring that the administration of prescription benefits Americans need to get and stay healthy is done in ways that are as transparent, economical and efficient as possible. To accomplish this, ***The PBM Accountability Study Act (H.R. 1829)*** will unveil vital information and provide legislative recommendations for enhancing prescription drug affordability for all Americans and ensuring pharmacists can best meet the needs of patients.

To become a co-sponsor of this legislation, please have a member of your staff reach out to Peter Stein in the office of Congresswoman Diana Harshbarger (TN-01) at: [Peter.Stein@mail.house.gov](mailto:Peter.Stein@mail.house.gov).