September 9, 2025

Dear Congressmember:

Thank you for your continued leadership and commitment to policies that address harmful Pharmacy Benefit Manager (PBM) business practices that are negatively impacting patient access to affordable medications. The undersigned organizations urge you to prioritize passing meaningful PBM reforms this session.

PBMs continue to manipulate the opaque drug pricing system through cost manipulation and game the rebate system to boost their profit margins. Numerous reports have recently come to light in outlets like the ***Wall Street Journal*** and the ***New York Times***, and in a report of the **Federal Trade Commission**. These reports demonstrate the unreasonable profit-making practices that PBMs use to manipulate the complex supply chain and benefit system. As the cost of living remains a challenge, it is essential that patients understand their medication costs and experience the savings they should have at the pharmacy counter.

PBMs are not transparent and remain unchecked. According to a national poll by Morning Consult, more than 75% of respondents are concerned about PBMs' business practices and their impacts on out-of-pocket costs. Now is the time to rein in costs and increase transparency by regulating PBM practices.

The top three PBMs, CVS Health's Caremark, Cigna's Evernoth/Express Scripts, and UnitedHealth's OptumRx, control nearly 80% of the market, with the top 6 PBMs controlling over 90%. This means they set the tone and standards of PBM business practices that impact Massachusetts patients and community pharmacies. These impacts are felt in several ways:

- Pharmaceutical manufacturers provide significant discounts and rebates to PBMs. In 2022, manufacturers rebated more than half of a medicine's list price for a total of $256 billion in rebates. However, patients facing a deductible or coinsurance are often charged based on the medication's full list price rather than the notably discounted price the PBM has paid. These rebates are intended to benefit patients by lowering out-of-pocket costs, yet PBMs often do not share them with patients in order to increase their own profits. Bipartisan legislation has been introduced and has advanced in several committees that would address this concerning practice.
- This system incentivizes PBMs to favor more expensive drugs. They can negotiate steeper rebates in order to increase their profits. PBMs may even exclude inexpensive and generic medications from their formularies to ensure patients purchase more expensive drugs.
- PBMs employ spread pricing, charging insurers more for a medication than they pay the pharmacy. According to research by the Massachusetts Independent Pharmacists Association, PBMs received $4.06 more per claim than they paid the pharmacy from 2018-2019. Spread pricing allows PBMs to underpay pharmacies to maximize their profits. PBMs have also increased (DIR) pharmacy fees by 450 times from 2010 to 2017. Many pharmacies report PBM reimbursements as low as 25 cents for a generic prescription. That doesn't even cover the cost of a prescription label. This has left community pharmacies nationwide in a difficult position, with many being forced out of business.

Fortunately, several policy proposals would increase transparency and oversight in this industry to protect patients and community pharmacies, such as:

- Requiring PBMs to pass through rebates to patients to lower their costs at the pharmacy counter or when purchasing their specialty medications;
- Separating PBM profits from prescription drug prices to eliminate the incentive for PBMs to manipulate prices to increase profits; and
- Preventing spread pricing from being used to harm community pharmacies.

These policies have reached the 'finish line' time and again, but have failed to pass due to larger political dynamics. Bipartisan support exists to pass these cost-saving measures immediately. We urge you to pass these policies to save employers, the government, and most importantly, American citizens money at the pharmacy counter.

We appreciate your review and consideration of this critical issue and thank you for your leadership.

Sincerely,

Arthritis Foundation
Asthma and Allergy Foundation of America New England
Brain Aneurysm Foundation
Cambridge Chamber of Commerce
Coalition of State Rheumatology Organizations (CSRO)
Diabetes Leadership Council
Diabetes Patient Advocacy Coalition
Envisioning Access
Epilepsy Foundation New England
Global Healthy Living Foundation
HeartBrothers Foundation
IMPACT Melanoma
Infusion Access Foundation
Lupus Foundation of New England
MassBio
Massachusetts Chain Pharmacy Council
Massachusetts Independent Pharmacists Association
Massachusetts Pain Initiative
Massachusetts Pharmacists Association
Massachusetts Society of Clinical Oncologists
National Infusion Center Association
New England Hemophilia Association
New England Venture Capital Association
Patients Rising
Rare New England
South Shore Chamber of Commerce
US Pain Foundation