



American Pharmacies LEGISLATIVE PRIORITY

HR 5378: Lower Costs, More Transparency Act

By McMorris-Rodgers of WA | Pallone of NJ | Smith of MO | Foxx of NC

Passed the House on Dec. 11 by a 320-71 vote

HR 5378 Protects, Patients, Payers & Pharmacies from PBM Abuses

Increases Accountability and Transparency

- Requires PBMs to report the cost of drugs they dispense, pharmacy reimbursements, DIR fees collected, rebates and fees collected, and amounts passed through to plan sponsors.
- Requires health insurers and PBMs to disclose negotiated drug rebates and discounts, revealing the true costs of prescription drugs.
- Strengthens disclosure of PBM and third-party administrator earnings to plan fiduciaries.

Prohibits Abusive Medicaid Practices

- **Ends spread pricing:** bars PBMs from charging Medicaid more for a drug than they pay pharmacies for it.
- Limits PBM compensation to an admin fee: **they can no longer pocket millions in rebates.**
- **Ensures fair Medicaid reimbursement:** Requires PBMs to pay pharmacies the drug cost and a dispensing fee equivalent to that paid in the state's Fee for Service plan.

PASSAGE OF HR 5378 IS CRITICAL FOR PATIENTS & PHARMACIES

- The cost of prescription medications is rising far faster than inflation, forcing patients to skip doses or refills, or forgo their medications entirely.
- Independent pharmacies are collapsing under the weight of underwater reimbursements, DIR fees, PBM steering and other abuses. **Since the start of 2024, 663 independent pharmacies have closed their doors across the nation, accelerating the erosion of patient access to pharmacy care, especially in small towns and rural areas.**

▶ **HR 5378 is the best chance for meaningful PBM reform in 2024. It is Vital that its Provisions Are Included in Any Health-Care Package Agreed on With the Senate and Signed into Law This Year.**



American Pharmacies — a member-owned cooperative with 750 independent pharmacies in 38 states — has passed 20 pro-pharmacy bills around the country. Visit us at www.aprx.org.