

# Congress of the United States

Washington, DC 20515

December 2, 2024

The Honorable Mike Johnson  
Speaker of the House  
United States House of Representatives  
Washington, DC 20515

The Honorable Hakeem Jeffries  
House Democratic Leader  
United States House of Representatives  
Washington, DC 20515

The Honorable Charles Schumer  
Senate Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Senate Minority Leader  
United States Senate  
Washington, D.C. 20510

Dear Speaker Johnson and Leaders Schumer, McConnell, and Jeffries,

We write to call attention to the immediate need to enact pharmacy benefit manager (PBM) reforms to reduce Americans' prescription drug costs and protect pharmacy businesses across the United States.

Multiple bipartisan bills have already advanced in the 118<sup>th</sup> Congress, which would address specific practices that for far too long have increased patient costs and threatened patient access to pharmacies that serve communities nationwide. The House Committees on Energy and Commerce, Ways and Means, Education and the Workforce, and Oversight and Accountability have all advanced meaningful PBM reforms on a bipartisan basis. The House of Representatives passed on a broad bipartisan basis on December 11, 2023, H.R. 5378, the *Lower Costs, More Transparency Act*, a bill that provides important components of PBM reform. It would be a missed opportunity if Congress were to fail to advance these reforms before the end of the year.

We have an opportunity now to advance bipartisan legislation that saves significant taxpayer money in state Medicaid managed care programs and – for the first time in Medicare Part D – enforces reasonable and relevant contract terms that support pharmacies' ability to serve patients. Further, we are pleased to champion reporting requirements which would increase transparency by shining a light on the opaque drug pricing system PBMs rely on. We also have a great opportunity to hold PBMs accountable and lower health care costs for seniors by delinking PBMs' compensation from drug prices in Medicare Part D to address the current misaligned incentives that are driving up costs for seniors. Finally, we can ensure that patients benefit from the discounts PBMs negotiated by requiring that, at least in the most egregious cases, PBMs pass those discounts directly to patients. There are few issues that unite members of the 118<sup>th</sup> Congress like reforms that result in savings and accountability.

The Centers for Medicare & Medicaid Services (CMS) wrote to PBMs and plans: “We are hearing an increasing number of concerns about certain practices by some plans and [PBMs] that threaten the sustainability of many pharmacies, impede access to care, and put increased burden on health care providers.” More recently, the Federal Trade Commission (FTC) filed a complaint that alleged that “PBMs have abused their economic power by rigging pharmaceutical supply chain competition in their favor, forcing patients to pay more for life-saving medication.”<sup>1</sup>

We have heard directly from our constituents that the harmful and aggressive tactics of some PBMs have only gotten worse, and that action is needed now to protect pharmacies and lower patient costs. Many of our constituents report that some PBMs are reimbursing pharmacies even further below the pharmacies’ cost for the prescriptions that they fill – especially in Medicare.

In fact, in 2023 there were over 300 independent pharmacy net closures – almost one per day.<sup>2</sup> Unfortunately, that trend has continued in 2024. Pharmacists are some of the most accessible and highly trusted health care professionals. Patients count on their training and expertise to stay healthy and informed. Yet, PBMs’ anti-competitive business practices are putting pharmacies out of business and removing patients’ access to care. We now have “pharmacy deserts” in rural and underserved communities, where the neighborhood pharmacy may be the only health care provider for miles. That’s affecting the accessibility, affordability, and quality of health care, counter to the efforts of policymakers.

Immediate action is needed to address these harmful practices by PBMs. Americans deserve and expect protection from inflated prescription drug costs, from forced pharmacy closures, and from barriers to their pharmacy of choice that result from PBM tactics. We urge you to work with us to enact specific PBM reforms that address these concerns and capitalize on the bipartisan effort and momentum in the House.

We urge you to prioritize PBM reform during end-of-year negotiations and ensure that the bipartisan efforts we have worked on throughout the 118<sup>th</sup> Congress are enacted into law. These provisions will have a meaningful impact on patients’ out of pocket costs and will protect independent pharmacists across the country.

Sincerely,

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<sup>1</sup> [FTC Sues Prescription Drug Middlemen for Artificially Inflating Insulin Drug Prices | Federal Trade Commission](#)

<sup>2</sup> <https://ncpa.org/sites/default/files/2024-02/2.27.2024-NCPAtoCMS-DIRconcerns-surveyresults.pdf>