

The Honorable Mike Johnson Speaker of the House U.S. House of Representatives Washington, DC 20515

The Honorable John Thune Senate Majority Leader United States Senate Washington, DC 20510 The Honorable Hakeem Jeffries House Democratic Leader U.S. House of Representatives Washington, DC 20515

The Honorable Chuck Schumer Senate Democratic Leader United States Senate Washington, DC 20510

Dear Speaker Johnson, and Leaders Thune, Schumer, and Jeffries:

It has been well established that pharmacy benefit manager (PBM) reform legislation enjoys broad bipartisan support in both chambers of Congress. Yet, measures that would have reined in the self-serving PBM business practices have failed to cross the finish line due to broader political considerations.

Meanwhile PBMs continue forcing patients to pay more than they should for prescription drugs and restricting access to medicines prescribed by physicians.

We believe this broken prescription drug pricing system is worsening and making medicines increasingly unaffordable for your constituents. And, as we see the PBMs becoming even more powerful through vertical integration with health insurers, group purchasing organizations, medical practitioner groups and mail order, specialty and chain pharmacies, PBM reform has taken on an increased urgency. We urge you and your colleagues to finish this job and act immediately to bring relief to patients, consumers and taxpayers.

The damage PBMs are inflicting on healthcare access and affordability is significantly worse today than when Congress first began deliberating reform legislation. For example:

- PBMs are now taking <u>42 cents of every dollar</u> spent on name-brand prescription drugs, making medicines more expensive for every American.
- PBM-affiliated pharmacies, which control the vast majority of specialty drug and mail-order dispensing revenues, are marking up specialty generic drugs by more than 1000%.
- More than 1,000 independent pharmacies went out of business in 2024, depriving communities of a vital health resource, largely because of predatory PBM practices.

There is a strong consensus on the steps that need to be taken to break the control these powerful corporate middlemen have on our healthcare system. It is essential to de-link PBM revenues from drug prices and eliminate the perverse incentives to steer patients toward higher-priced drugs and restrict access to more affordable alternatives. It is equally necessary to end the practice of spread pricing, in which PBMs charge their employer and plan sponsor clients far more for prescription drugs than they reimburse the pharmacies that dispense them. These proposals enjoyed bipartisan support in the 118th Congress and were poised for passage, before unrelated political factors prevented the broader package from advancing. And voters have said repeatedly in surveys that PBM-negotiated discounts and rebates should be passed down to bring about lower costs for patients at the pharmacy.



There is no reason to delay this action any further. PBM reform measures have been approved by committees, by large bipartisan margins, in both the Senate and House. The harms caused by PBMs have been documented extensively by both congressional committees and the Federal Trade Commission. President Trump has said repeatedly that it is necessary to reduce the role of middlemen in our drug pricing system.

The PBMs are amassing their powers to prevent reform from happening, using legal threats and court filings to silence criticism of their business practices. They are desperate to protect a status quo and generate billions of dollars in profits at the expense of Americans struggling to pay for their medications.

Your constituents need immediate relief at the pharmacy counter, and local pharmacies need relief from unfair PBM practices that are putting them out of business. All taxpayers would benefit from the nearly <u>\$5 billion</u> in Medicare savings that would be captured by reducing artificially inflated prescription drug prices and ending the opaque PBM pricing schemes that raise the cost of drugs.

Congress can help now. We urge you to make PBM reform an immediate priority. Thank you for your leadership.

Sincerely,

Mark Blum

Mark

Managing Director, PBM Accountability Project