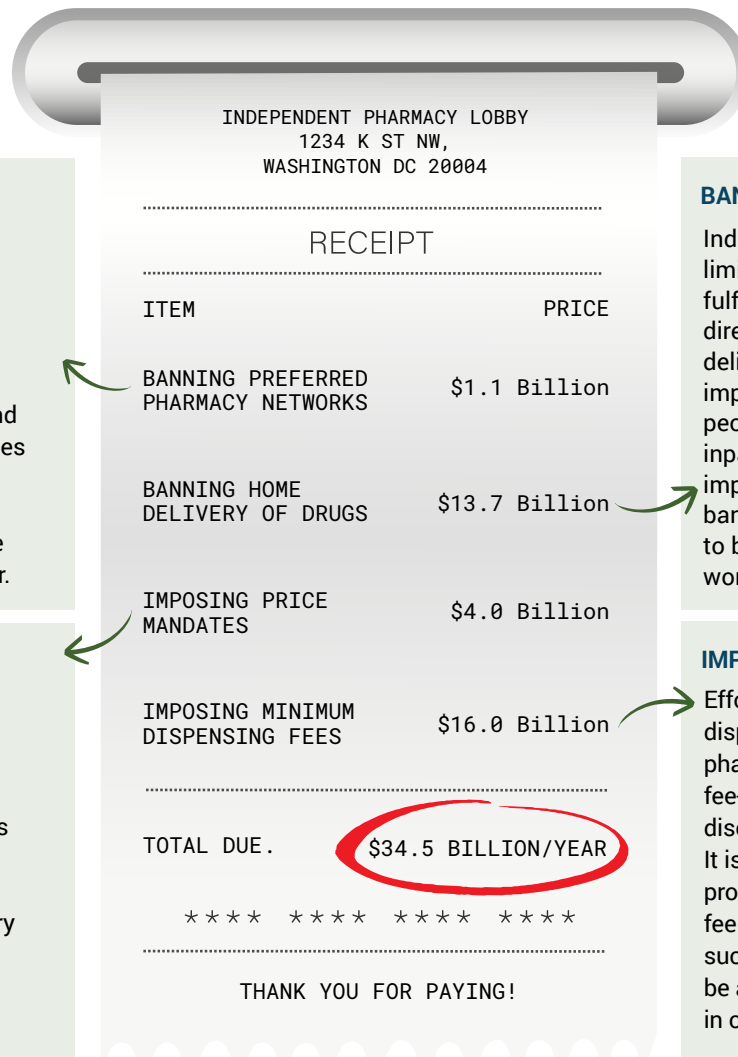


The Cost of Limiting PBM Tools

A RECEIPT FOR PATIENTS, TAXPAYERS AND CONSUMERS

There is increasing scrutiny on the role of Pharmacy Benefit Managers (PBMs) and claims about how their work affects American patients. Much of this is driven by rhetoric from independent pharmacists, who are pushing a policy agenda that will benefit their bottom line but cost consumers and taxpayers billions of dollars by limiting the ability of PBMs to drive down costs. Consumers should know the price tag for these policies, especially as inflation continues to climb.



BANNING PREFERRED PHARMACY NETWORKS

Independent pharmacists have proposed limiting or banning preferred pharmacy networks. These networks help patients get drugs at a lower cost and allow PBMs to optimize drug delivery and limit unnecessary spending. Studies have shown without these cost-saving tools, drug prices for seniors and taxpayers in Medicare Part D would be 2.3 percent higher.

IMPOSING PRICE MANDATES

Independent pharmacists are pushing to receive higher reimbursement rates when they fill prescriptions for Medicaid patients. However, research shows that if state Medicaid programs adopt price mandates it would fail to save money, as these mandatory minimum reimbursements would quickly add up to billions in additional costs.

BANNING HOME DELIVERY OF DRUGS

Independent pharmacists want to limit or restrict benefit designs that fulfill prescriptions by mailing them directly to patients' homes. Home delivery is cost-effective and also improves medication adherence for people with chronic disease, reducing inpatient hospital admissions and improving overall health outcomes. A ban on home delivery will cause drugs to become more expensive and also worsen health outcomes for patients.

IMPOSING MINIMUM DISPENSING FEES

Efforts to mandate minimum dispensing fees paid to independent pharmacies were common in Medicaid fee-for-service but are increasingly discussed for Medicaid managed care. It is not uncommon for state Medicaid programs to mandate a \$10 dispensing fee for every prescription. Mandating such a fee across-the-board would be associated with a \$16B increase in costs.

TOTAL COST TO PATIENTS AND TAXPAYERS: \$34.5 BILLION EACH YEAR