



May 4, 2021

Representative Diana Harshbarger
U.S. House of Representatives
167 Cannon House Office Building
Washington, DC 20515

Re: Support of the PBM Accountability Study Act (HR 1829)

Dear Representative Harshbarger:

The **HIV+HEP Policy Institute** is a leading HIV and hepatitis policy organization promoting quality and affordable healthcare for people living with or at risk of HIV, hepatitis, and other serious and chronic health conditions. People with HIV, hepatitis, and so many other health conditions rely on medications to stay healthy and alive. Access and affordability to these lifesaving medications are mainly controlled by pharmaceutical benefit managers (PBMs). **We strongly support *The PBM Accountability Study Act (HR 1829)*, which would require the Government Accountability Office to provide a comprehensive report to Congress on the ways in which PBMs influence the pricing of pharmaceuticals, impede competition, use rebates and also provide recommendations on ways to lower prescription drug costs.**

HIV+Hep has long been concerned about the outsized role of PBMs in determining access to medications for patients living with HIV, hepatitis, and others who rely on prescription drugs. We seek to ensure greater transparency in the work of PBMs; greater enforcement over rules and regulations governing PBMs; and requiring that PBMs to pass rebates on to consumers.

While most consumers interface with their insurance carriers, access and affordability of prescription drugs is largely controlled by PBMs. The three largest PBMs in the country who control 75 to 80 percent of covered lives¹, decide which drugs are on a plan's formulary. They also establish which tier a drug is placed on. People living with HIV, hepatitis, and many other chronic conditions, frequently must access drugs that PBMs arbitrarily place on specialty tiers. On this tier, patients are required to pay the highest cost-sharing levels, frequently in terms of co-insurance, which can be upwards to 50 percent of the list price of a drug.

Rebates and other price concessions negotiated by the PBMs with drug manufacturers play a significant role in determining not only formularies and tiering but also prior authorization,

¹ National Academy for State Health Policy, [Pharmacy Benefit Manager Model Legislation: Questions and Answers, August 9, 2018, https://www.nashp.org/pharmacy-benefit-manager-model-legislation-questions-and-answers/.](https://www.nashp.org/pharmacy-benefit-manager-model-legislation-questions-and-answers/august-9-2018)

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step-therapy, and other utilization management techniques. These additional access restrictions present substantial barriers for people trying to access their medications prescribed by their providers to best meet patients' medical needs.

While there has been rightfully great public attention made to the growing problem of high drug prices, PBMs play an increasingly significant role in why we in the United States have high drug prices. PBMs demand substantial rebates from manufacturers and negotiate fees from health insurers which determine drug formularies, cost tiering, and other utilization management techniques. However, these rebates are very rarely passed onto consumers.

To complicate matters, much of this is being done without any regulation and transparency. Laws aimed to ensure proper licensing and business practices of PBMs are critically important and many states have taken steps to do just that.

Clearly, it is long past time for payers and consumers to better understand the role PBMs have on access and pricing. On behalf of patients across the country who are struggling to access and afford their prescription medications, we thank you for this critical legislation. Should you have any questions or comments, please feel free to contact me at cschmid@hivhep.org or (202) 462-3042. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carl E. Schmid II', is positioned above the typed name and title.

Carl E. Schmid II
Executive Director