



**Oral Comments by Carl Schmid, HIV+Hepatitis Policy Institute before FTC on PBM Practices
January 14, 2025**

Dear Commissioners:

Good morning. I am **Carl Schmid, Executive Director** of the **HIV+Hepatitis Policy Institute**. Thanks to medical science, people with HIV and hepatitis B can live long and healthy lives; people with hepatitis C can be cured in as little as 8 to 12 weeks; and now we have drugs that prevent HIV. Access to and affordability of these medications is greatly determined by PBMs.

People are struggling to afford their medications due to increased deductibles and cost-sharing, which are set by PBMs. According to IQVIA, in 2023 patient out-of-pocket costs for medicines totaled \$91 **billion**. To help people afford them drug manufacturers provide copay assistance, which totaled \$23 **billion**.

What is now happening due to the close relationship between insurers and PBMs where they can share transactional data is that they collect the billions of dollars in copay assistance but do not apply it towards beneficiaries' out-of-pocket costs and deductibles. These hidden policies are called "copay accumulator programs." They allow insurers, with the help of their PBMs, to "double dip" and increase their revenue by receiving copayments twice - first from the drug manufacturer and then from the beneficiary. About half of all commercial plans use them.

There are other PBM practices such as designating drugs as "non-essential health benefits" in order to maximize copay assistance for themselves. Others work with outside vendors that force patients who have insurance to obtain free medications from drug manufacturer patient assistance programs that are meant for people without insurance or even force them to obtain imported drugs.

All these schemes allow PBMs, their insurance partners and others to make more money and profit at the expense of patients who are having trouble affording their drugs. We urge you to continue your investigation and take appropriate action to stop them.

Thank you.

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