

Role of PBMs in Patient Access & Affordability of Prescription Drugs

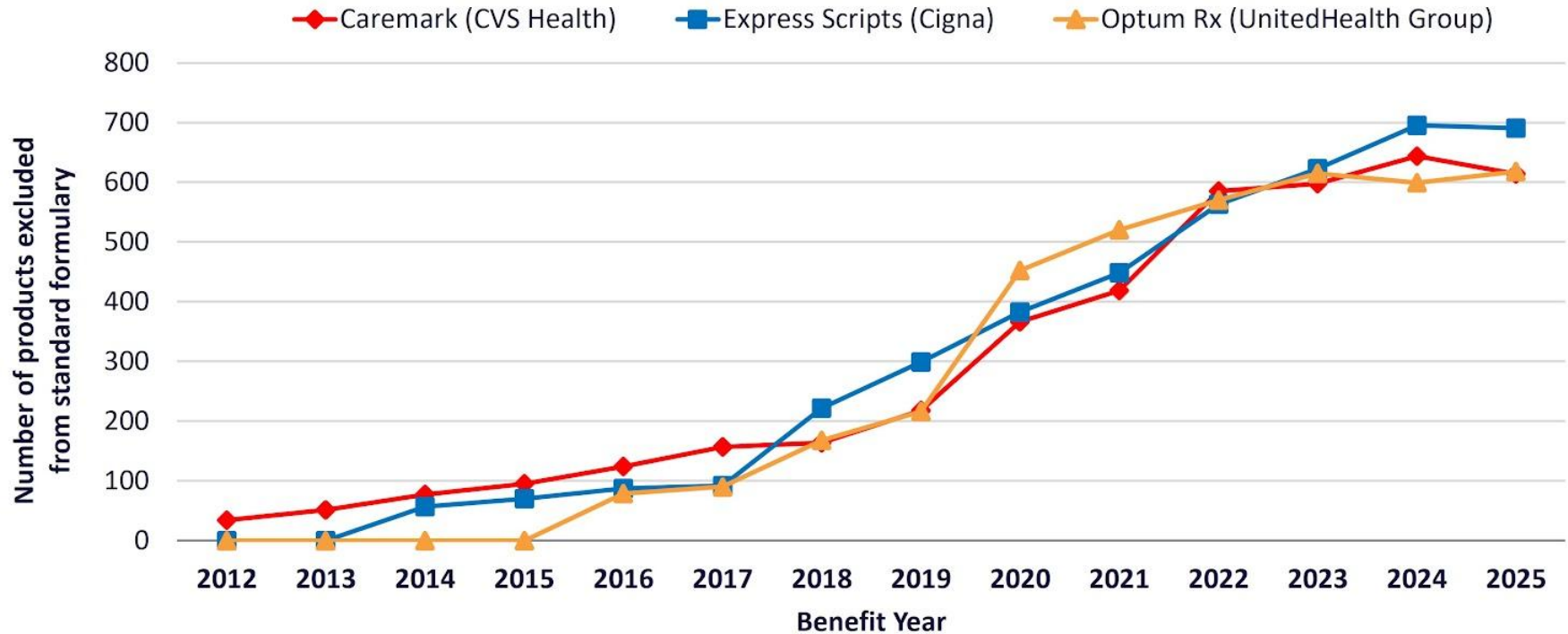
Carl Schmid
Executive Director
HIV+Hepatitis Policy Institute

NAIC Prescription Drug Coverage (B) Working Group
March 24, 2025



Drug Coverage & Benefit Design

Number of Products on PBM Formulary Exclusion Lists, by PBM, 2012 to 2025



Source: Drug Channels Institute analysis of company reports; Xcenda. Multiple formulations of a drug were counted as a single exclusion. Note that some data have been restated due to midyear additions to exclusion lists. Express Scripts did not publish exclusion lists before 2014. Optum Rx did not publish exclusion lists before 2016. Note that PBMs may exclude many of the same medications, so certain products may appear on multiple lists.

Published on *Drug Channels* (www.DrugChannels.net) on January 22, 2025.



DRUG CHANNELS INSTITUTE

An HMP Global Company



PRESS RELEASE

November 15, 2024

Contact: Jennifer Burke
jburke@hivhep.org
301.801.9847

HIV Discrimination Complaints Filed in Five States Against Insurers for Substandard Drug Coverage & High Cost-Sharing *Follows Similar Complaints in Texas and North Carolina*

Washington DC... The [HIV+Hepatitis Policy Institute](#) filed five discrimination complaints against two insurers, **Medica** and **Harvard Pilgrim**, for offering plans that discriminate against people living with HIV. The insurers use several strategies to discourage enrollment by people with HIV, including placing all HIV drugs, including generics, on the highest cost tier, not covering drugs that are recommended by national treatment guidelines, including single-tablet regimens, and not meeting state essential health benefits benchmarks.

PRESS RELEASE

December 17, 2024

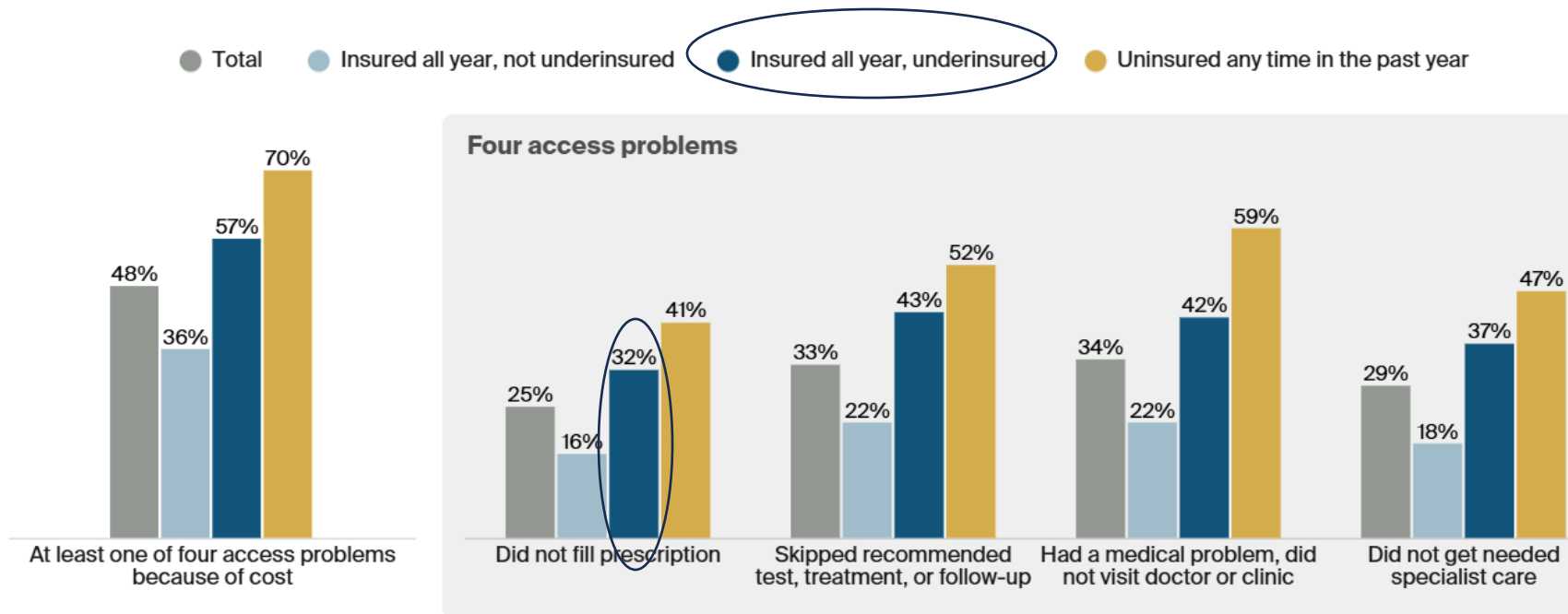
Contact: Jennifer Burke
jburke@hivhep.org
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Insurer Agrees to Add HIV Drugs After Discrimination Complaint Filed *Harvard Pilgrim Takes Action in Maine while Cases Pending in Other States*

Out of Pocket Costs

Cost-related problems getting needed care are experienced at the highest rate by adults who are underinsured or lack continuous coverage.

Percentage of adults ages 19–64 who in the past year had any of four problems accessing care because of cost, by insurance status



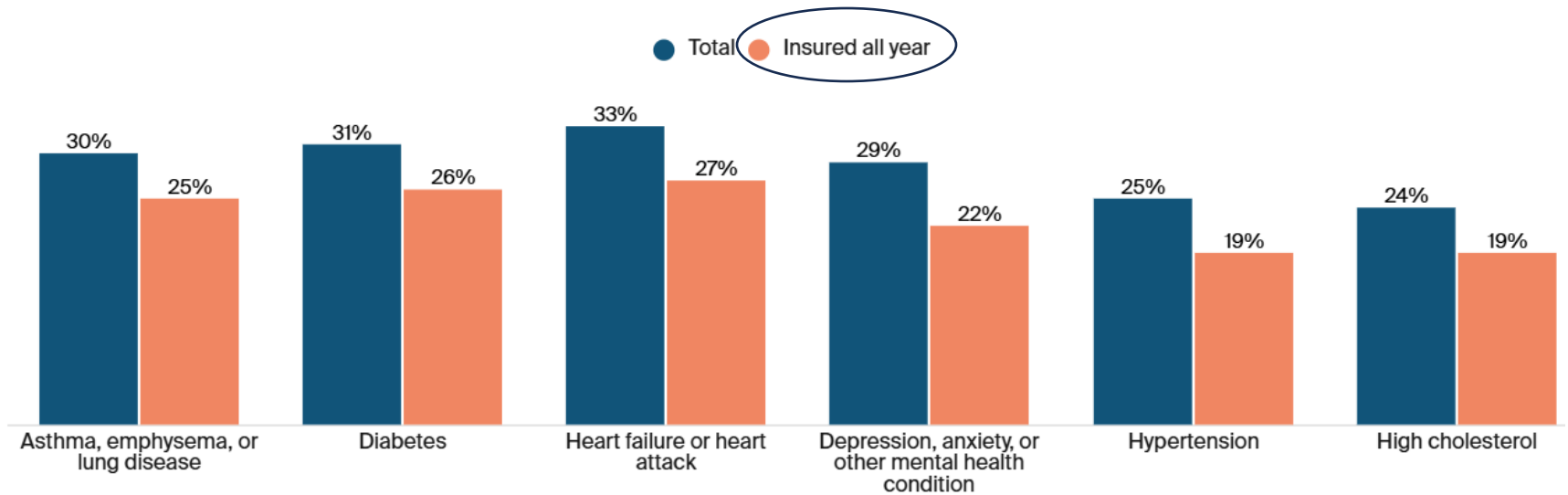
Base: Adults ages 19–64.

Notes: “Underinsured” refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of household income; out-of-pocket costs, excluding premiums, equaled 5% or more of household income if low income (<200% of poverty); or deductibles equaled 5% or more of household income. “Uninsured at any time in the past year” refers to adults who were either uninsured at the time of the survey or were insured but spent some time uninsured in the past year.

Data: Commonwealth Fund 2024 Biennial Health Insurance Survey.

As many as three in 10 people with chronic health problems do not fill a prescription for their health condition because of the cost.

Percentage of adults ages 19–64 with a chronic health condition who skipped or didn't fill prescription because of cost



Base: Adults ages 19–64 with a chronic health condition.

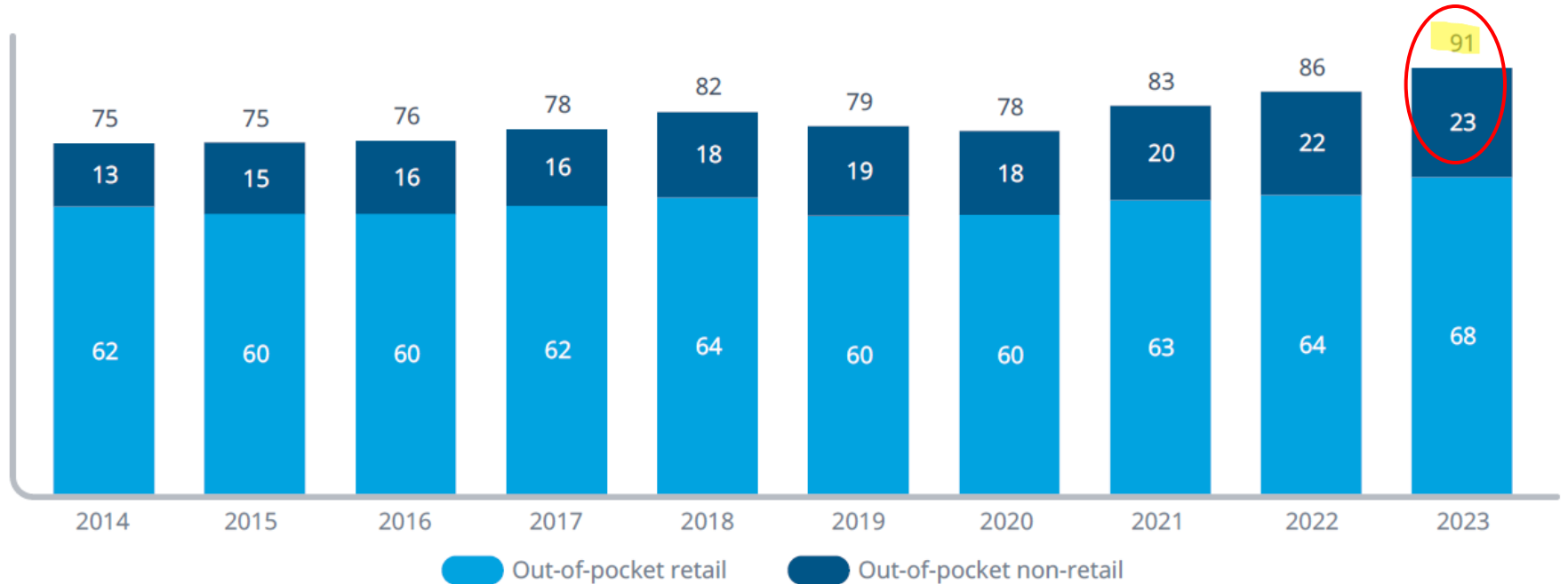
Data: Commonwealth Fund 2024 Biennial Health Insurance Survey.

Source: Sara R. Collins and Avni Gupta, *The State of Health Insurance Coverage in the U.S.: Findings from the Commonwealth Fund 2024 Biennial Health Insurance Survey* (Commonwealth Fund, Nov. 2024). <https://doi.org/10.26099/byce-qc28>

PATIENT OUT-OF-POCKET COSTS

Out-of-pocket costs in aggregate reached \$91Bn in 2023, an increase of \$5Bn, with most of the increases in retail drugs

Exhibit 19: Aggregate patient out-of-pocket cost for medicines dispensed in retail and non-retail settings, US\$Bn



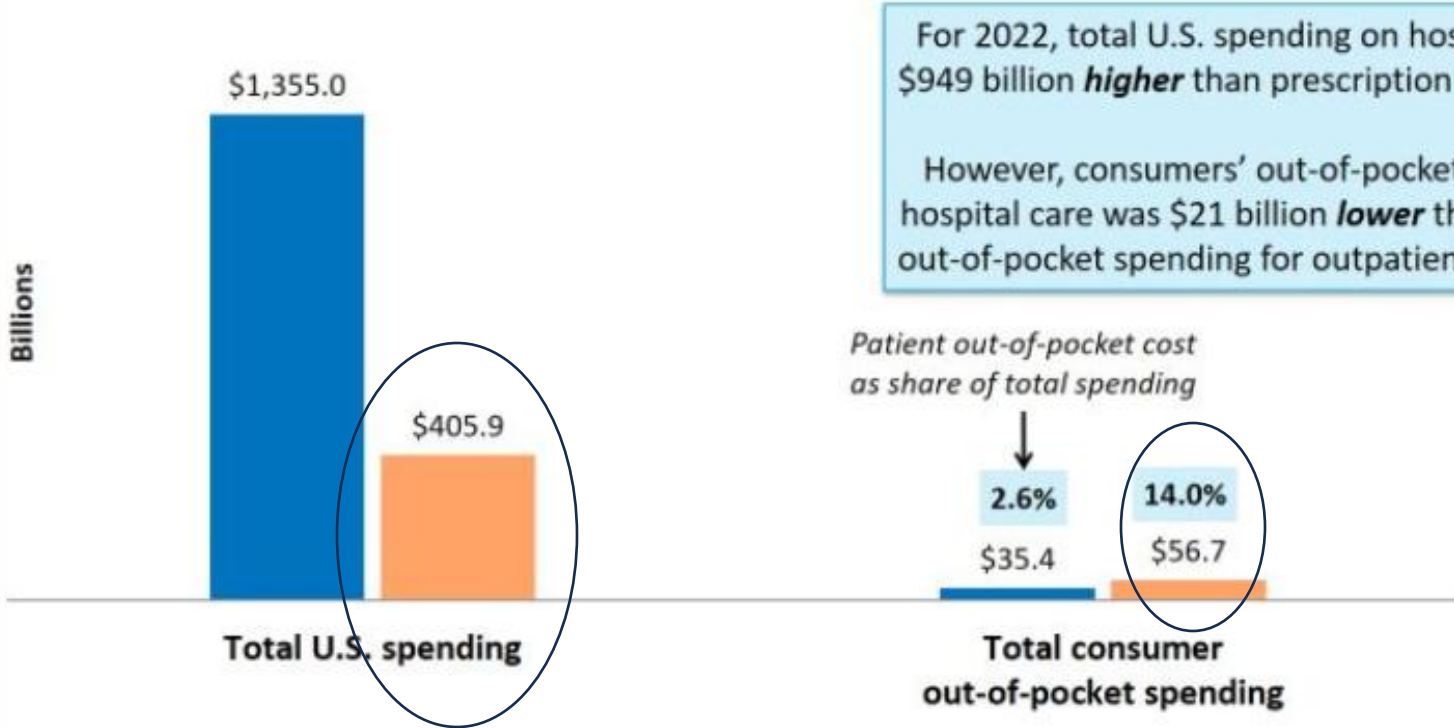
Source: IQVIA LAAD Sample Claims Data, CMS National Health Expenditures, Dec 2023; IQVIA Institute, Mar 2024.

Hospital Care vs. Prescription Drugs, Total Spending and Consumer Out-of-Pocket, 2022

■ Hospital care ■ Outpatient prescription drugs

For 2022, total U.S. spending on hospital care was \$949 billion **higher** than prescription drug spending.

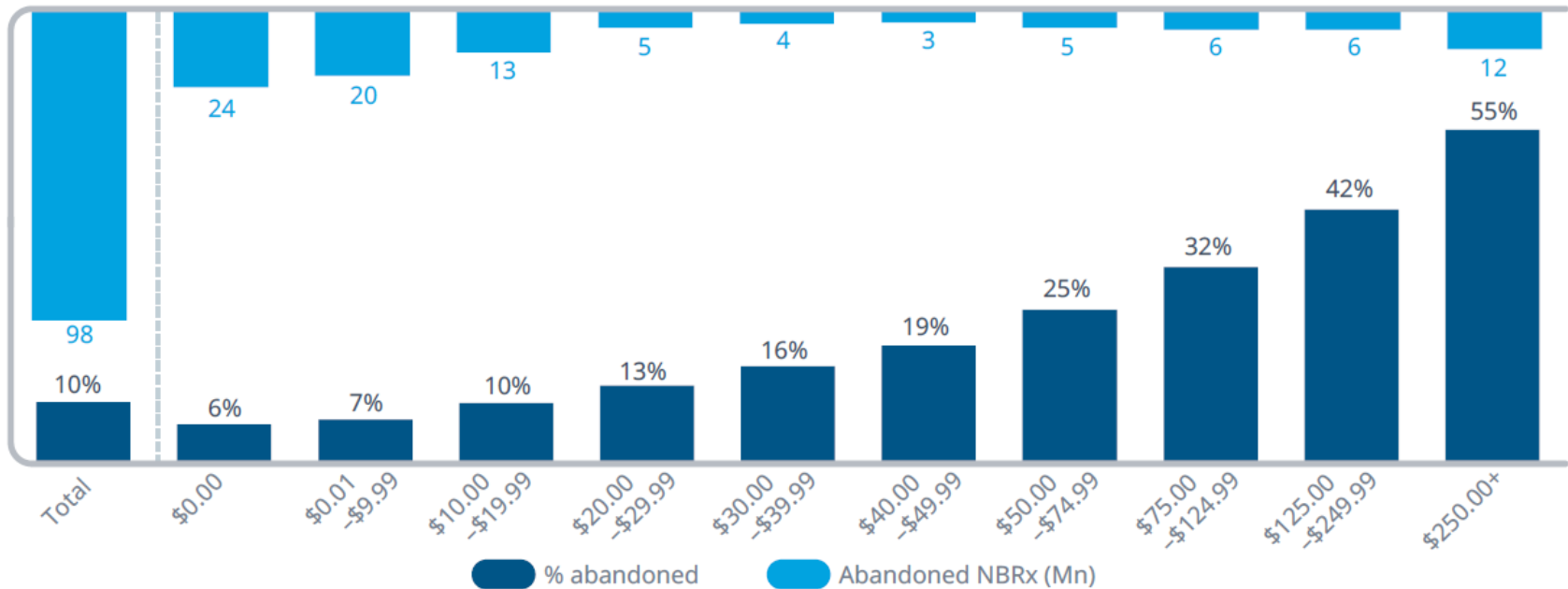
However, consumers' out-of-pocket spending for hospital care was \$21 billion **lower** than consumers' out-of-pocket spending for outpatient prescriptions.



Source: Drug Channels Institute analysis of National Health Expenditure Accounts, Office of the Actuary in the Centers for Medicare & Medicaid Services, 2023. Outpatient prescription drug figures exclude inpatient prescription drug spending within hospitals and nearly all provider-administered outpatient drugs.

Patients starting new therapy abandoned 98Mn prescriptions at pharmacies in 2023 with increasing frequency as costs rise

Exhibit 26: 14-day abandonment share of new-to-product prescriptions by final out-of-pocket cost in 2023, all payers, all products



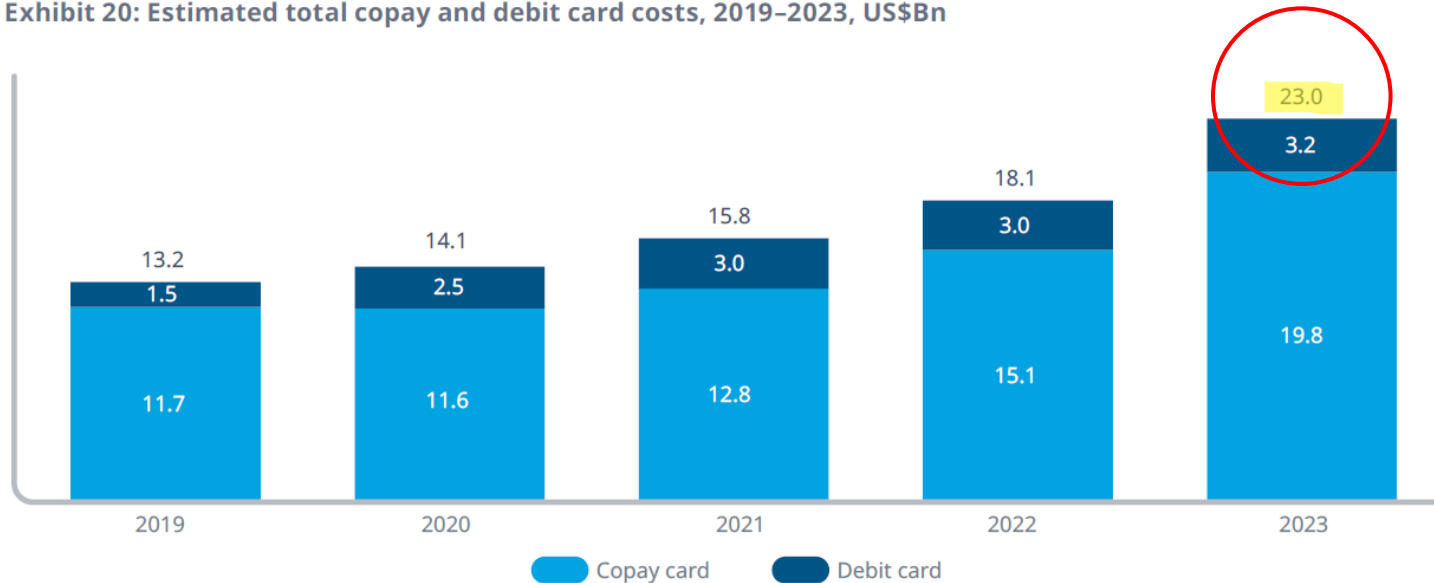
Source: IQVIA National Prescription Audit: New to Brand, LAAD Sample Claims Data, Dec 2023; IQVIA Institute, Mar 2024.

Copay Accumulators

PATIENT OUT-OF-POCKET COSTS

Manufacturer copay assistance offset patient costs by \$23Bn in 2023 and \$84bn over the last five years

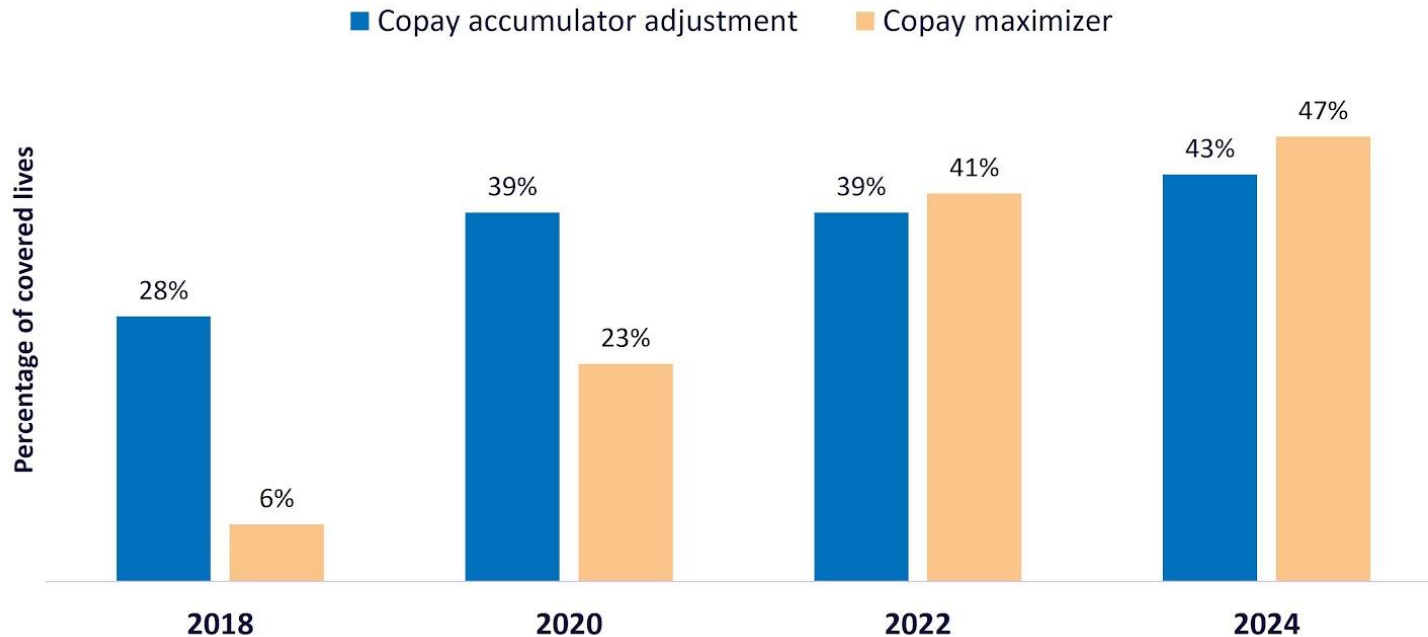
Exhibit 20: Estimated total copay and debit card costs, 2019–2023, US\$Bn



Source: IQVIA LAAD 3.0 Claims Data, Xponent PlanTrak Projected Data, IQVIA US Market Access Strategy Consulting Analysis, Dec 2023.

Copay accumulator and maximizer programs accounted for \$4.8 Billion of copay assistance in 2023, more than double the amount attributed to these programs in 2019.

Copay Accumulator Adjustment and Copay Maximizers, Implementation in Commercial Insurance, 2018 to 2024



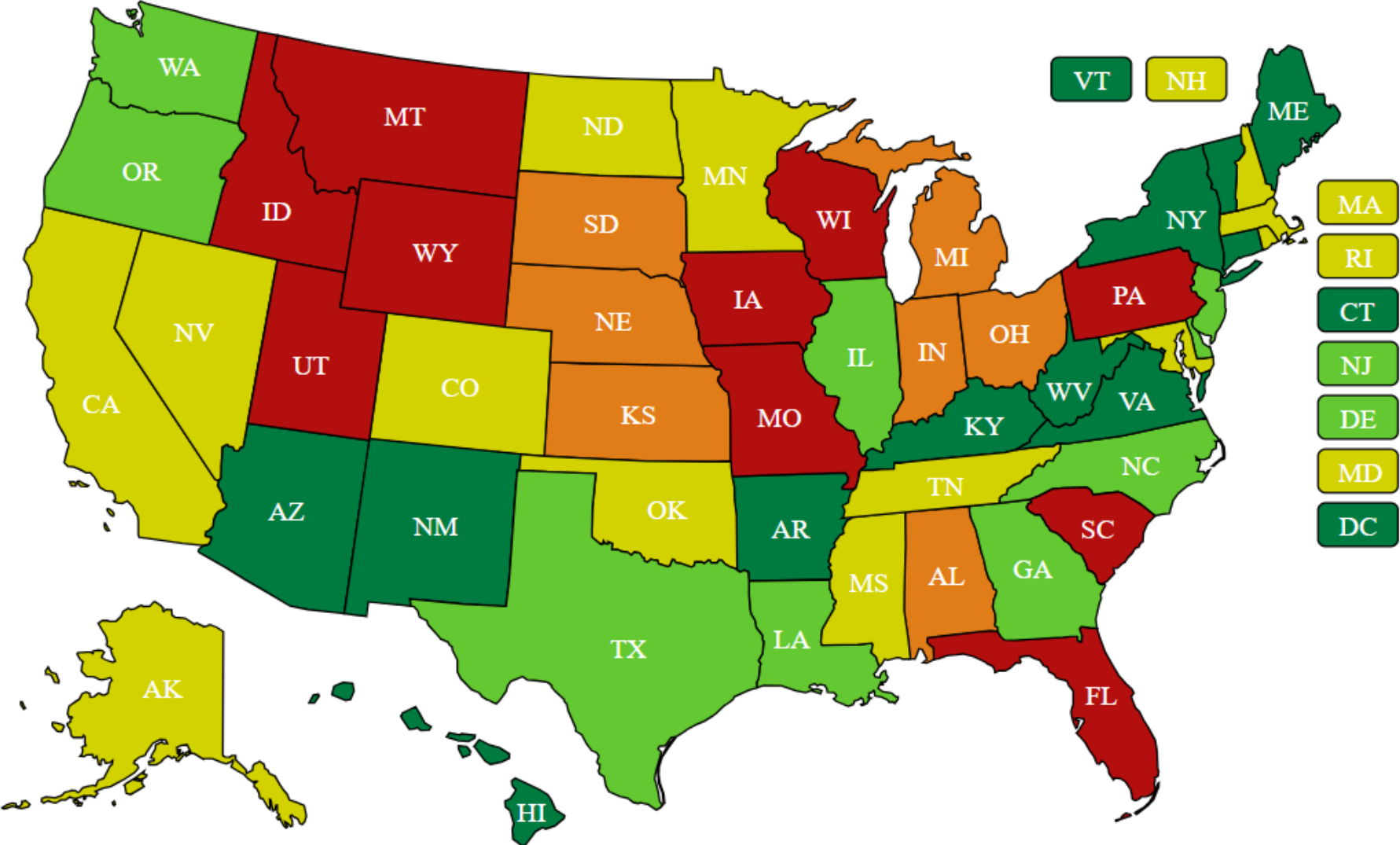
Source: Drug Channels Institute analysis of MMIT data; Drug Channels Institute estimates. Sample for 2018 includes 49 PBMs and payers representing 147 million commercially insured covered lives. Sample for 2020 includes 50 PBMs and payers representing 127.5 million commercially insured covered lives. Sample for 2022 includes 35 PBMs and payers representing 121.5 million commercially insured covered lives. Sample for 2024 includes 35 PBMs and payers representing 121 million commercially insured covered lives.

Published on *Drug Channels* (www.DrugChannels.net) on February 12, 2025.



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States & Copay Accumulators



FTC Reports



FEDERAL TRADE COMMISSION

Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies

Interim Staff Report
July 2024
U.S. Federal Trade Commission
Office of Policy Planning

Table of Contents

- I. Executive Summary..... 1
- II. PBMs Have Gained Significant Power Over Prescription Drug Access and Prices Through Increased Concentration and Vertical Integration..... 5
 - A. PBMs increasingly control Americans' access to drugs and the prices they pay..... 9
 - 1. Overview of PBM services 9
 - 2. The provision of PBM services is highly concentrated among the largest PBMs 13
 - B. PBMs have expanded their pharmacy dispensing shares of high-priced specialty drugs 15
 - 1. Overview of pharmacy dispensing formats and the specialty pharmacy segment 15
 - 2. Dispensing revenue growth and PBM-affiliated pharmacies' increasing share of specialty 18
 - C. Corporate restructuring of PBM rebate negotiation services raises concerns 21
 - D. PBMs have expanded into other vertically integrated health care segments..... 24
 - 1. Health insurers 24
 - 2. Health care providers 26
 - 3. Drug private labelers..... 27
- III. Increased Concentration and Vertical Integration May Have Enabled PBMs to Lessen Competition, Disadvantage Rivals, and Inflate Drug Costs 30
 - A. Specialty prescription steering to PBM-affiliated pharmacies: Steering mechanisms and initial evidence..... 30
 - 1. Steering mechanisms and evidence of specialty prescription steering 31
 - 2. Steering through expanded specialty drug lists..... 36
 - B. Reimbursement rates and dispensing revenue received by PBM-affiliated pharmacies for specialty generics: Two case studies 38
 - 1. Pharmacies affiliated with the Big 3 PBMs are often paid 20- to 40-times NADAC, and significantly more than unaffiliated pharmacies, for the two case study specialty generic drugs 40
 - 2. Pharmacies affiliated with the Big 3 PBMs retained nearly \$1.6 billion in dispensing revenue in excess of NADAC for the two case study specialty generic drugs from 2020 through part of 2022 44
 - C. The largest PBMs' outsized bargaining leverage may operate to the disadvantage of smaller unaffiliated pharmacies 48
 - 1. The largest PBMs employ lopsided and unilateral contracting practices..... 48
 - 2. PBMs may be using their market power across the distribution chain to set reimbursement rates at untenably low levels for independent pharmacies 53
 - 3. Pharmacy reimbursement calculations are opaque and unpredictable..... 55
 - 4. PBMs' post-sale adjustments showcase the unpredictability of reimbursement..... 59
- IV. PBM and Brand Drug Manufacturer Rebate Contracts May Impair or Block Less Expensive Competing Products, Including Generic and Biosimilar Drugs 66
- V. Conclusions and Areas of Ongoing Focus 71



FEDERAL TRADE COMMISSION

Specialty Generic Drugs: A Growing Profit Center for Vertically Integrated Pharmacy Benefit Managers

Second Interim Staff Report
January 2025

Table of Contents

- I. Introduction 1
- II. Methods..... 5
 - A. Data and variables 5
 - B. Sample selection 8
- III. Analyses 9
 - A. The Big 3 PBMs significantly marked up numerous specialty generic drugs dispensed at their affiliated pharmacies 9
 - 1. *Reimbursement rates*: The Big 3 PBMs marked up numerous specialty generic drugs by more than 1,000 percent 9
 - 2. *Dispensing volumes*: The large majority of the most highly marked up specialty generic drugs were dispensed by PBM-affiliated pharmacies 15
 - B. The Big 3 PBMs and their affiliated pharmacies generated significant and increasing levels of income from specialty generic drugs 18
 - 1. *Pharmacy dispensing revenue in excess of NADAC*: Pharmacies affiliated with the Big 3 PBMs generated over \$7.3 billion of revenue in excess of NADAC from the analyzed specialty generic drugs 19
 - 2. *PBM spread pricing*: In the aggregate, the Big 3 PBMs generated significant income from spread pricing on the analyzed specialty generic drugs 23
 - 3. *Magnitude of income streams*: Operating income generated by the Big PBMs' affiliated pharmacies from dispensing the top 10 specialty generic drugs alone accounted for nearly 11 percent of parent healthcare conglomerates' relevant business segment operating income in 2021 24
 - C. Plan sponsor and patient spending on specialty generic drugs has increased significantly over time 27
- IV. Conclusion..... 29
- Appendix 31
 - Appendix A. Summary data 32
 - Appendix B. Methods for decomposing growth 56

Figure 2. Heatmap of Percentage Markups on Specialty Generic Drugs Dispensed by PBM-Affiliated Pharmacies, Segmented by Commercial and Medicare Part D Claims, 2020-2022

Therapeutic class	Drug name	Brand equivalent	Formulation	Commercial			Medicare		
				2020	2021	2022	2020	2021	2022
Acromegaly	Octreotide	Sandoctatin	Injectable	15%	—	—	44%	—	—
Anticoagulation	Enoxaparin	Lovenox	Injectable	*	*	*	*	*	*
Anticoagulation	Fondaparinux	Arixtra	Injectable	*	*	*	*	*	*
Cardiac Disorder	Dofetilide	Tikozyn	Pill	*	*	*	*	*	*
Cystic Fibrosis	Tobramycin	Tobi	Inhaler	177%	269%	339%	224%	247%	209%
HIV	Abacavir	Ziagen	Pill	*	*	*	*	*	*
HIV	Abacavir/Lamivudine	Epicoon	Pill	*	*	*	*	*	*
HIV	Atazanavir	Reyataz	Pill	*	*	*	*	*	*
HIV	Efavirenz	Sustiva	Pill	*	*	*	*	*	*
HIV	Efavirenz/Emtricitabine/Tenofovir Disp	Atripla	Pill	*	*	*	*	*	*
HIV	Emtricitabine/Tenofovir Disp	Truvada	Pill	*	*	*	*	*	*
HIV	Etravirine	Intellelex	Pill	—	—	*	—	—	*
HIV	Lamivudine	Epivir	Oral liquid	*	*	—	*	*	—
HIV	Lamivudine	Epivir, Epivir HIV	Pill	229%	193%	278%	300%	181%	300%
HIV	Lamivudine/Zidovudine	Combivir	Pill	*	*	*	*	*	*
HIV	Nevirapine	Viramune	Pill	*	*	—	*	*	—
HIV	Ritonavir	Norvir	Pill	*	*	*	*	*	*
HIV	Tenofovir Disp	Viread	Pill	*	*	*	*	*	*
HIV	Zidovudine	Retrovir	Pill	*	*	—	*	*	—
Hepatitis	Entecavir	Baraclude	Pill	*	*	*	*	*	*
Hepatitis	Sofosbuvir/Velpatavir	Epclusa	Pill	1%	0%	2%	6%	4%	0%
Pain, Hypertension	Sildenafil	Revatio	Pill	2,405%	2,405%	3,390%	1,464%	1,618%	2,968%
Pain, Hypertension	Tadalafil	Adcirca	Pill	4,290%	5,534%	7,796%	2,991%	3,932%	6,149%
Infertility	Progesterone	None	Injectable	*	*	*	*	*	*
Iron Overload	Deferasirox	Jaderu	Pill	—	—	*	—	—	*
Multiple Sclerosis	Dalfampridine	Ampyra	Pill	1,236%	1,348%	2,435%	945%	766%	1,312%
Multiple Sclerosis	Dimethyl Fumarate	Tecfidera	Pill	—	2,017%	2,121%	—	1,052%	1,541%
Multiple Sclerosis	Glatiramer	Copaxone	Injectable	136%	136%	123%	168%	166%	152%
Neurology	Riluzole	Rilutek	Pill	*	—	—	*	—	—
Oncology	Abiraterone	Zytiga	Pill	691%	1,810%	2,209%	478%	1,164%	1,522%
Oncology	Capecitabine	Xeloda	Pill	989%	3,236%	2,777%	435%	1,654%	1,323%
Oncology	Everolimus	Zortress	Pill	—	—	2%	—	—	1%
Oncology	Imatinib	Gleevec	Pill	2,142%	2,970%	5,332%	1,748%	2,073%	4,154%
Oncology	Methotrexate	None	Injectable	*	*	*	*	*	*
Oncology	Temociclovir	Temodar	Pill	—	1,210%	1,161%	—	646%	674%
Osteoporosis	Teriparatide	Forteo	Injectable	—	—	-8%	—	—	0%
Renal Disease	Cinacalcet	Sensipar	Pill	*	*	*	*	*	*
Transplant	Azathioprine	Imuran	Pill	*	*	*	*	*	*
Transplant	Cyclosporine	Gengraf	Oral liquid	*	—	—	*	—	—
Transplant	Cyclosporine	Gengraf	Pill	11%	12%	24%	28%	21%	32%
Transplant	Mycophenolate Mofetil	Celcept	Oral liquid	1%	-3%	-9%	9%	9%	7%
Transplant	Mycophenolate Mofetil	Celcept	Pill	289%	240%	188%	118%	92%	114%
Transplant	Mycophenolic Acid	Myfortic	Pill	162%	234%	693%	171%	218%	636%
Transplant	Sirolimus	Rapamune	Oral liquid	—	12%	133%	—	12%	180%
Transplant	Sirolimus	Rapamune	Pill	28%	22%	47%	37%	29%	57%
Transplant	Tacrolimus	Prograf	Pill	86%	172%	286%	97%	210%	325%

* Figures redacted for drugs not dispensed by all Big 3 PBMs as specialty pursuant to section 6 of the FTC Act. 15 U.S.C. § 46(f).

Markup over NADAC: ■ <10% ■ 10%-100% ■ 100%-1000% ■ >1000%

Figure 2. Heatmap of Percentage Markups on Specialty Generic Drugs Dispensed by PBM-Affiliated Pharmacies, Segmented by Commercial and Medicare Part D Claims, 2020-2022

Therapeutic class	Drug name	Brand equivalent	Formulation	Commercial			Medicare		
				2020	2021	2022	2020	2021	2022
HIV	Efavirenz/Emtricitabine/Tenotovir Disp	Atripla	Pill	*	*	*	*	*	*
HIV	Emtricitabine/Tenofovir Disp	Truvada	Pill	*	*	*	*	*	*
HIV	Etravirine	Intelence	Pill	--	--	*	--	--	*
HIV	Lamivudine	Epivir	Oral liquid	*	*	--	*	*	--
HIV	Lamivudine	Epivir, Epivir HBV	Pill	229%	195%	276%	300%	181%	306%
HIV	Lamivudine/Zidovudine	Combivir	Pill	*	*	*	*	*	*
HIV	Nevirapine	Viramune	Pill	*	*	--	*	*	--
HIV	Ritonavir	Norvir	Pill	*	*	*	*	*	*
HIV	Tenofovir Disp	Viread	Pill	*	*	*	*	*	*
HIV	Zidovudine	Retrovir	Pill	*	*	--	*	*	--
Hepatitis	Entecavir	Baraclude	Pill	*	*	*	*	*	*
Hepatitis	Sofosbuvir/Velpatasvir	Epclusa	Pill	1%	0%	1%	6%	4%	6%

Markup over NADAC: ■ <10% ■ 10%-100% ■ 100%-1000% ■ >1000%

Role of PBMs & 340B

- ▶ **PBM profit from 340B program.**



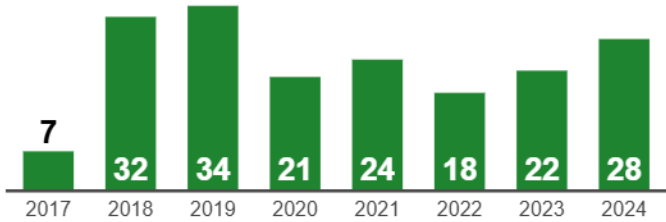
Sixty-nine percent of 340B contract pharmacies were associated with a PBM through vertical integration (53%) or contractual arrangement (16%).

- ▶ **The average profit margin earned by covered entities and the pharmacies they contract with on commonly dispensed 340B medicines is an estimated 72% vs. a margin of 22% for non-340B medicines dispensed through independent pharmacies.**

<https://www.thinkbrg.com/insights/publications/for-profit-pharmacy-participation-340b/>

State Action

Pharmacy Benefit Manager ▼



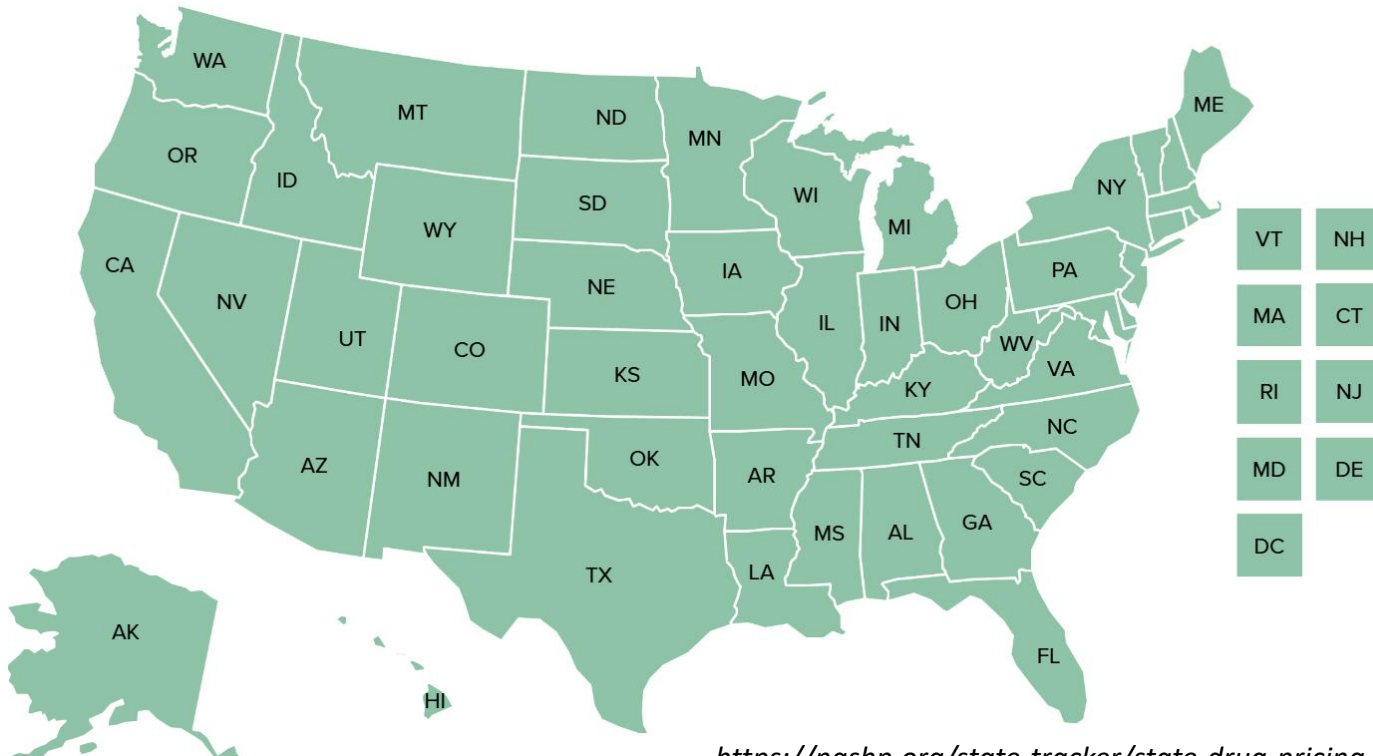
Number of Laws

186

Total Laws

50

Number of States





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Governor

TAHESHA L. WAY
Lt. Governor

JUSTIN ZIMMERMAN
Commissioner

BULLETIN NO. 24-18

TO: PHARMACY BENEFITS MANAGERS, PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS, HOSPITAL, MEDICAL AND HEALTH SERVICE CORPORATIONS, CERTIFIED AND LICENSED ORGANIZED DELIVERY SYSTEMS, AND INSURANCE COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS AUTHORIZED TO ISSUE HEALTH BENEFIT PLANS IN NEW JERSEY

FROM: JUSTIN ZIMMERMAN, COMMISSIONER

RE: CARRIER, PHARMACY BENEFITS MANAGER, AND PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION COMPLIANCE WITH P.L. 2023, c. 107, PHARMACY BENEFITS MANAGERS

Feb. 4, 2025, 5:00 AM EST

Pharmacy Middlemen Face NY Crackdown Under Gov. Hochul Plan



Zach Williams ✉

- Federal efforts stalled regulating pharmacy benefit managers
- Governor proposes companies reveal price details on websites

New York would become the first state to force pharmacy benefit managers to publicly reveal how much they profit from rebates issued by drug manufacturers under a measure backed by Gov. Kathy Hochul.



WEST VIRGINIA INSURANCE BULLETIN No. 25-01

Insurance Bulletins are issued when the Commissioner renders formal opinions, guidance or expectations on matters or issues, explains how new statutes or rules will be implemented or applied, or advises of interpretation or application of existing statutes or rules.

► Prescription Drug Rebate Impact to Commercial Health Insurance ◀

2024 Filings (2025 Plan Year):

Insurer	Plan Type	Rate Change Without Pass-Through Rebate	Pass-Through Rebate Effect on Rate	Final Rate Change
Company A	Any Size	18.80%	-6.20%	12.60%
Company A	Large Group	18.70%	-6.20%	12.50%
Company B	Individual	15.097%	-2.75%	12.347%
Company C	Individual	12.30%	-9.60%	2.70%
Company C	Small Group	17.60%	-9.67%	7.93%
Company C	Large Group	17.30%	-0.70%	16.60%
Company C	Transitional	18.90%	-10.30%	8.60%
Company D	Individual	7.72%	-7.45%	0.27%
Company D	Small Group	17.80%	-7.07%	10.73%
Company E	Small Group	11.89%	-7.60%	4.29%
Company F	Small Group	21.80%	-11.70%	10.10%
Company F	Large Group	5.21%	0.00%	5.21%
Company G	Small Group	21.900%	-11.70%	10.200%

Federal Government Action



“We are paying far too much, because we are paying far more than other countries. We have laws that make it impossible to reduce [drug costs] and we have a thing called a ‘middleman’ ... that makes more money than the drug companies, and they don’t do anything except they’re middlemen. **We are going to knock out the middleman.**”



RFK Jr Says Trump Administration ‘Committed’ to PBM Reform

February 4, 2025


By Brian Nowosielski

News

Article

As Finance Chair, Crapo Says He Will Follow Through On Doc Fix, PBMs


By Jessica Karins / January 7, 2025 at 7:26 PM


 Post


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Subcommittee on Health Holds Hearing to Scrutinize Abusive PBM Practices

Feb 27, 2025

 Press Release

 Hearings

 Health

Senate Democrats to introduce PBM changes, health provisions dropped from December spending bill

BY NATHANIEL WEIXEL - 03/06/25 1:29 PM ET

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Thank you!

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