



Business Negotiation Rights

Background

Pharmacy benefits managers (PBMs) are the entities responsible for processing pharmacy claims between health plans and pharmacies. Unlike health plans, PBMs are neither regulated nor transparent and often hide large profits obtained from the “spread” of dollars paid by the health plan vs. what is actually paid to pharmacies.

PBMs can also reduce the quality of patient care by steering patients to certain large chain pharmacies, which actually own the PBMs, or by switching patient’s medications to drugs which they obtain the most manufacturers rebate dollars, often at the expense of the patient.

Impact & Importance

PBMs often negotiate “take it or leave it” contracts between health plans and pharmacies. Independent community pharmacies are prohibited by anti-trust laws from negotiating with the PBMs for their contracts, unlike larger pharmacy chains. This eliminates their ability to negotiate for fair reimbursements for dispensed prescriptions.

Action Needed

- Ask your Congressional member to support H.R. 1204, sponsored by Reps. Anthony Weiner (D-NY) and Jerry Moran (R-KS), that would allow independent pharmacies a limited exemption so that they can negotiate contracts with PBMs.
- Ask your Congressional member to preserve the relationship between the patient and pharmacist by protecting the patient’s ability to choose their provider.