

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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**Ranking Member Jamie Raskin**  
**Committee on Oversight and Accountability**  
**Hearing on “The Role of Pharmacy Benefit Managers in Prescription Drug Markets**  
**Part I: Self-Interest or Health Care?”**  
**May 23, 2023**

Good morning and thank you all for your testimony today.

The dangerously high price of prescription drugs is something that Democrats have long sought to address. In the last two Congresses alone, Democrats on this Committee held five hearings on how to make medication more affordable and accessible to Americans.

The average American spends more on prescription drugs every year than people living anywhere else in the world. **In 2022, more than a quarter of all U.S. adults reported that they did not take their prescription medication at some point in the past year because they couldn’t afford it. This is a crisis.** No American should be forced to choose between living expenses like groceries, rent, or transportation and affording lifesaving medication. In the wealthiest country on earth, every person should be able to access the care and medication that they need.

**The Committee's focus on the problem of the PBMs is an important bipartisan step forward in addressing the overall crisis of health care in this country. But this crisis begins with outrageous pricing of pharmaceutical drugs by the big pharmaceutical companies.**

Under former Chairman Elijah Cummings and former Chairwoman Carolyn Maloney, this Committee spent three years [investigating](#) the ways some pharmaceutical companies use unjustified and unfair pricing practices to enrich themselves at the expense of patients across the country who need their medications to survive.

Former Chairman Cummings [described](#) this investigation as “one of the most wide-ranging investigations in decades into the prescription drug industry’s pricing practices,” [noting](#) how “[f]or years, drug companies have been aggressively increasing prices on existing drugs and setting higher launch prices for new drugs while recording windfall profits.”

**The Oversight Committee’s [investigation](#) found drug companies engage in anticompetitive practices to keep drug prices high and exploited the fact that Medicare was not allowed to directly negotiate drug prices with them.**

**Acting in response to these kinds of abuses, Democrats moved and passed historic legislation – the Inflation Reduction Act (IRA)– to reduce drug prices for Americans.**

Thanks to the IRA, Medicare will be permitted to negotiate prices of dozens of the costliest drugs directly with pharmaceutical manufacturers. This will help prevent drug companies from taking advantage of the ways the Medicare program differs from similar programs in other countries to enrich themselves at the expense of American taxpayers and older Americans.

The IRA will also cap the price of insulin at \$35 per month for people covered by Medicare. Seniors who use insulin will no longer be forced to ration their life-saving medication as drug companies rake in profits.

And the IRA caps out-of-pocket costs under Medicare Part D to \$2,000 a year, indexed to inflation, bringing much-needed relief to seniors trying to cover the cost of their medication on a fixed monthly income.

**But the fight for affordable medication doesn't stop with the Inflation Reduction Act and the Medicare Program. President Biden has put forth bold proposals to expand these cost-savings to all Americans, including by capping the price of insulin at \$35 per month for all diabetics in America.**

**Democrats are also investigating the role of pharmacy benefit managers, or PBMs, in the prescription drug affordability crisis. As intermediaries between insurers, drug companies, and pharmacies, PBMs wield tremendous influence over how much a patient pays at the pharmacy counter for a medication prescribed by their doctor—and whether a patient can even afford to obtain their prescription medication at all.**

If the U.S. health care system worked as intended and as advertised, PBMs should be negotiating *lower* drug prices on behalf of insurance companies, who would then pass those savings on to patients. That's not what seems to be happening.

**As we'll hear today, some PBM practices appear to be *increasing* the cost of medicine, actively preventing patients from accessing the medications that their doctors have determined are medically appropriate, playing outrageous hide-and-go-seek games with people's medicine, and hurting independent and community pharmacies.**

**The House Oversight Committee has been working to expose PBMs and how they are undermining patient care. That's why former Chairwoman Maloney launched an investigation last year into whether practices of the largest PBMs and health insurers in the country create financial barriers for patients trying to access birth control products.**

Under the Affordable Care Act and related guidance, contraceptive products that a patient's health care provider deems medically appropriate should be made available to that patient at no-cost.

The Committee's analysis found that certain products, including newer ones, were less likely to be made available by PBMs and insurers at no-cost to patients. Patients or providers have to know to ask insurers and PBMs for an exception to receive these products for free, and the Committee found that PBMs and insurers denied an average of 40% of those requests each year. That's outrageous.

Today's hearing is an opportunity to build on this important work.

I look forward to hearing from each of our witnesses about the ways that PBM practices may deny or delay patients' receipt of their affordable, accessible medications.

**But PBMs are just one piece of the puzzle. Drug companies are ultimately responsible for setting high prices, and in fact have poured millions of dollars into television and social media advertising, as well as lobbying efforts, to deflect attention away from their own role in high drug prices by shining a spotlight on the problematic practices of PBMs.**

**I ask my Republican colleagues to join with Democrats in taking decisive action to lower prescription drug prices and engage in comprehensive oversight of the entire health care system – not just one part.**

I hope today's hearing is just one of many dedicated to building upon this Committee's longstanding work to improve access to affordable medication for all.

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