

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051

<https://oversight.house.gov>

Ranking Member Jamie Raskin
Committee on Oversight and Accountability
Hearing on “The Role of Pharmacy Benefit Managers in Prescription Drug Markets
Part II: Not What the Doctor Ordered”
September 19, 2023

Thank you, Chairman Comer, and thank you to our witnesses for testifying today.

This is the second time this Congress that we have come together on a critical issue that affects all Americans: access to affordable medication. In the wealthiest country on earth, every person should be able to access the care and medication they need.

In 2021, the U.S. [spent](#) \$4.3 trillion dollars on health care. This is nearly [twice](#) as much per capita as the next closest country. Most of our health care system is a for-profit industry, with many large corporations involved making billions of dollars in profits annually.

During a multi-year investigation conducted by Committee Democrats, we found that some major pharmaceutical companies employed profit-maximizing pricing practices at the direct expense of the people who rely on their medications to survive and live.

We are also investigating the role of pharmacy benefit managers or PBMs. PBMs are supposed to negotiate lower drug costs and improve the delivery of medications to patients. At least that’s the theory. What we have actually heard, is that certain PBM business practices may be favoring more expensive drugs, and making it more difficult for patients to get timely and affordable access to the medication prescribed by their doctors at the pharmacy of their choice.

At our last Committee hearing, we heard from witnesses who suggested that PBMs and other major health care companies are using their enormous market power to maximize their profits at the expense of patients and community pharmacies. As of today, three companies control 80% of the PBM market. The same parent companies that own these PBMs also own health insurers and pharmacies, so the parent company can profit at multiple points throughout the health care system.

PBMs profit from rebates and fees from pharmaceutical companies who want PBMs to include their drugs on patients’ insurance plans. PBMs also profit from health insurers, which reimburse PBMs when medications are dispensed to patients at the pharmacy. Because of the integrated market, PBM parent companies can also profit from directing patients towards the retail and specialty pharmacies they own.

In the question of profits vs. patients, we need to make sure that patients are coming out on top every single time.

The first step in crafting solutions is understanding the problem. The Committee’s drug-pricing investigation shone a light on the way that drug companies have spent years exploiting patients. In the Inflation Reduction Act, Democrats worked to lower drug costs for seniors by allowing Medicare to negotiate drug prices directly with drug manufacturers, capping out-of-pocket costs for patients covered by Medicare, and limiting the price of insulin to \$35 dollars per vial for seniors.

Today, we have an opportunity to build on this success. This hearing will help us understand the ways that PBMs add value and improve patients’ experience, as well as the ways that PBMs may not be living up to their promises and contributing to our crisis of drug affordability and accessibility. Given their central role in our health care system, we need more transparency into how PBMs operate, and how their practices might be working alongside others in the supply chain, including big pharma, to increase the price of drugs.

I hope that together, we can build upon our drug pricing reduction work and move towards our North star—where every person in this country can access the affordable medication that they need to survive and thrive.

Thank you, Mr. Chairman. I yield back.

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Contact: Nelly Decker, Communications Director, (202) 226-5181