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House of Representatives

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Ranking Member Jamie Raskin Committee on Oversight and Accountability Opening Statement

“The Role of Pharmacy Benefit Managers in Prescription Drug Markets Part III: Transparency and Accountability” July 23, 2024

Thank you, Mr. Chairman, and welcome the witnesses for being with us here today.

This is the third Committee hearing this Congress on the subject we finally have the largest PBMs here at the table. Patients say that some of your business practices are making it more difficult and more expensive to access the medication they need and so we need to hear from you on what’s going on.

The three companies here today account for 80% of the PBM market. That means that the three of you sitting here are responsible for policies and practices that directly affect the lives and the health and the pocketbook of 270 million people in America, most of whom are not even aware that your companies exist.

People don’t choose their PBMs. People do choose a health insurance plan which in turn has a PBM. Most people are offered a choice between a small number of health insurance plans and then they wade through confusing language and murky distinctions to find the one that they think is best suited to the needs of their family. Nobody is thinking about which PBM that health plan uses. In fact, most people don’t even know that the health plan they’re selecting is going to work with a PBM at all. No one is considering that the health insurance plan they just spent hours trying to select is closely affected not just by the insurance company, but also by another enormous business looking to profit.

Although PBMs operate way outside of public consciousness, your companies have immense power over patients. PBMs create the list of medications that determine what will and won’t be covered by an insurance plan. They determine how much those medications will cost. And they determine which pharmacies a patient can or cannot use to access the medications.

Your three companies alone are dictating these terms for 4 out of 5 people in the country. I’m glad that you are here with us today to provide serious, robust insight into those decisions. While we do not have a lot of visibility into the inner workings of PBMs, the work this Committee has done on PBMs this Congress has provided many examples of how your policies are not necessarily always working for the people that you serve.

The *New York Times* recently [reported](#) that one of your companies was charging patients on Medicare more than \$650 for a medication that would have cost less than \$50 at an online pharmacy without any insurance at all. A different patient was reportedly charged \$211 by another one of your companies for a drug he could have

acquired at Costco for \$22. That's a 10-1 ratio between what people are paying through the PBMs versus what they can get in just an out-of-pocket purchase.

Who do these policies benefit? Well, obviously not patients. It seems they benefit the PBM, which gets reimbursed by the health insurer for that higher price.

Even if this system works for some patients, it's clear that many served by your companies are falling through the cracks—whether they experience delays in getting the medicine they need or are forced to overpay.

In a for-profit health care system, we know companies will seek profits. But it is unacceptable for those profits to come at the expense of patients getting the basic medicine they need to lead their full and healthy lives.

Democrats on this Committee have long worked to hold Big Pharma accountable for the ways in which they relentlessly manipulate the price of medications and make them unaffordable for millions of Americans. Our three-year investigation revealed that pharmaceuticals use anticompetitive tactics to stop generics from entering the market and target the U.S. for high prices because our government simply did not have the power to directly negotiate with them the way our peer countries do.

But last Congress, Democrats passed the Inflation Reduction Act, and the wins from that landmark legislation are already being felt. Beginning next year, Medicare will negotiate drug pricing directly with pharmaceuticals and drug companies will now have to reimburse the government when they raise prices beyond the rate of inflation.

But we have a long way to go to place people over profits, to put healthcare first. I hope that today's hearing can shed light on the ways that PBMs are taking a page from Big Pharma's practices and exacerbating the drug affordability crisis. We need a health care system that works better for everyone.

Thank you, Mr. Chairman. I yield back.

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