

PBMs Make Prescription Drugs More Affordable for Medicare Beneficiaries

Despite ongoing and unsustainable price increases by drug manufacturers, PBMs' negotiations on behalf of businesses, unions and government programs will lower Medicare Part D premiums again in 2020 for the third consecutive year. As a result, seniors will pay an average of only \$30 per month for the drug coverage they need to stay healthy.



DRUG MANUFACTURERS KEEP RAISING PRICES ON BENEFICIARIES, WITH NO END IN SIGHT

- Over four years, drug makers raised prices on 96% of brand-name drugs.
- In 2019, drug manufacturers increased prices on 15 of the top 20 most utilized brand drugs.
- Federal economists expect prescription drug spending to grow at a faster rate than any other type of health care expenditure.



FEDERAL STUDIES CONFIRM PBMS ARE MITIGATING MANUFACTURERS' PRICE INCREASES TO KEEP MEDICARE PART D AFFORDABLE FOR BENEFICIARIES

- The GAO found PBMs negotiate discounts of more than 40% off list prices for the highest-utilized brand name drugs.
- The GAO found PBMs negotiated \$18 billion in discounts from manufacturers in 2016 and passed 99.6% of the savings to Part D plan sponsors to lower costs for beneficiaries and taxpayers.
- The HHS OIG found that without PBM-negotiated discounts, total Part D reimbursement for brand name drugs would have been 19% higher. Instead, reimbursement only increased 4% from 2011-2015.



SENSIBLE DRUG PRICING REFORMS WOULD ENABLE PBMS TO DRIVE EVEN MORE SAVINGS TO BENEFICIARIES

- Allow broader flexibility to increase access to the lowest cost, highest value drugs.
- Establish safe harbors for innovative contracts with drug manufacturers, including value-based arrangements.
- Ensure beneficiaries continue to see savings from PBMs' negotiated discounts in the form of lower premiums.
- Give beneficiaries the choice of receiving their prescriptions in the setting that is most convenient for them, whether at the pharmacy counter or in their home.



MANUFACTURER REFORMS CAN KEEP PRICES IN CHECK FOR BENEFICIARIES

- Ensure drug manufacturers bear appropriate risk for drug spending throughout the Part D benefit.
- Eliminate regulatory and statutory barriers to accessing biosimilars.
- End patent abuses that allow drug manufacturers to stifle competition.
- Reduce barriers to developing an interchangeable market for insulins.