

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

March 14, 2024

Dear Members of the Senate Finance Committee:

As the Chairman and Ranking Member of the Finance Committee, we write today to reaffirm our commitment to enacting meaningful pharmacy benefit manager (PBM) reforms this Congress. The American people deserve serious solutions to a range of policy challenges that continue to drive up health care costs and constrain access to crucial pharmacy services. By advancing a comprehensive, consensus-driven suite of bills aimed at modernizing and improving prescription drug benefits under Medicare Part D and Medicaid, our committee has taken critical steps toward promoting cost-cutting competition, mitigating misaligned incentives that drive up drug prices, and bolstering transparency across the medication supply chain. With concerted bipartisan, bicameral action, we can and must send these and other priorities to the President's desk.

Last year, the Finance Committee voted 26-1 on the *Modernizing and Ensuring PBM Accountability Act* (S. 2973) and 26-0 on the *Better Mental Health Care, Lower-Cost Drugs, and Extenders Act* (S. 3430). These packages reflect commonsense, cost-saving PBM reform proposals developed and championed by nearly every member of our committee, regardless of party affiliation. Many of these policies have also passed by strong bipartisan margins out of key committees in the House of Representatives or on the House floor, highlighting robust interest in PBM reform across both chambers.

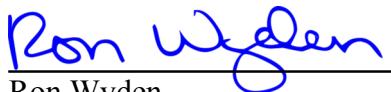
While media reports sometimes frame the PBM reform debate as a battle between industries, American seniors, working families, and frontline health providers have remained at the core of these efforts. To that end:

- Over the past year alone, more than 300 pharmacies have closed across the country due to unsustainably low reimbursement and one-sided contract terms promoted by some of the largest PBMs and their affiliates. Many of the hardest-hit pharmacies serve rural communities or other areas already subject to access gaps, jeopardizing a vital lifeline to primary care.
- Despite years of public urging from policymakers and patient advocates, most PBMs continue to charge Americans high cost-sharing for drugs, often as a percentage of inflated sticker prices, even for medications with sizable rebates and other discounts. As a result, in some cases, patients may pay more out-of-pocket than their PBMs or insurers for a given prescription.

- The largest PBMs have also adopted restrictive coverage policies for a number of low-cost medications, including heavily discounted biosimilars, further exacerbating cost-sharing strain and imperiling cost-saving competition, with potential effects for years to come.
- Finally, recent evidence uncovered by the *Wall Street Journal* and a growing number of peer-reviewed articles suggests that certain PBMs mark up the prices of generic drugs, sometimes by percentages in the thousands, increasing their affiliates' revenue while keeping health care costs unduly high for patients and taxpayers.

Our committee's legislation, and proposals championed by other members of both the House and Senate, would provide patients with meaningful relief by addressing these substantial challenges. Simply put, our proposed reforms would lower consumer costs, protect small businesses, and save taxpayer dollars. We will continue engaging with all relevant committees and with congressional leadership to ensure the enactment of the priorities crafted and refined by Members across this committee.

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
Finance



Michael D. Crapo
United States Senator
Ranking Member, United
States Senate Committee on
Finance

CC: Leader Schumer and Leader McConnell