



#PBMReformNow

Save Community Pharmacies

LEGISLATORS: Help PA Families Maintain Access to Community Pharmacies

Right now, PBMs are pocketing hundreds of millions of taxpayer dollars through their non-transparent actions while impacting community pharmacies and leading to their closures. In 2024 alone, over 70 chain and independent pharmacies have already suffered this fate! Senate Bill 1000 and House Bill 1993 would stop this predatory practice once and for all!

What Legislators Need to Know!

Insurance companies are increasingly relying on pharmacy benefit managers (PBMs) to manage their prescription drug services. Pharmacies must deal with PBMs in all aspects of their dispensing of prescription drugs to patients, including reimbursements and other processes.

Absent strong regulation and transparency, PBMs engage in a number of practices that have direct negative impacts on pharmacies and cost taxpayers billions, including:

- Reimbursement rates that are less than what pharmacies pay for a drug;
- Directing patients to use a preferred pharmacy through mandatory mail-order requirements, a restricted pharmacy network, or charging higher co-pays at pharmacies that are not part of the PBM's network;
- Spread pricing, which occurs when PBMs reimburse a pharmacy for a drug and then bill the insurer at a higher price to collect more tax dollars; and
- Taking back payments for prescriptions that were already dispensed.

How We Can Fix This

Legislation in Senate Bill 1000 and House Bill 1993 sets guidelines for the contracts between PBMs and pharmacies that protect the pharmacies' interests.

- Ensure pharmacies are reimbursed for the cost to buy and dispense drugs;
- Stop the process of "spread pricing," where PBMs charge payers, such as a health plan, a higher price for medications than what they pay to pharmacies, keeping the difference or "spread" as profit;
- End the practice of "patient steering," which occurs when PBMs force patients to use a PBM-owned pharmacy or risk paying higher out-of-pocket costs;
- Grant the Department of Insurance power to audit PBM contracts with pharmacies;
- Develop a process of receiving, hearing and resolving complaints from pharmacies about PBMs; and
- Set fixed amounts for PBM claim processing and administrative fees.

Without #PBMReformNow, these predatory practices will continue to cause painful financial challenges to pharmacies that serve a large number of elderly and low-income patients.

This has caused the closure of community pharmacies throughout the commonwealth in underserved urban and rural areas.



Please Sponsor and Support PBM Reform Legislation!

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A message from PA Pharmacists Association, PA Association of Chain Drug Stores, Philadelphia Association of Retail Druggists and Value Drug Company



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