



June 15, 2023

The Honorable Buddy Carter
2432 Rayburn House Office Building
Washington, DC 20515

Dear Representative Carter:

The American Pharmacists Association (APhA) writes to offer our support for the *Protecting Patients Against PBM Abuses Act* (H.R. 2880). We thank you for your ongoing leadership to protect patients, taxpayers, and pharmacies from pharmacy benefit manager (PBM) practices that make high-quality health care unaffordable for many Americans.

APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care, and enhance public health.

As you know, the PBM marketplace is highly concentrated with ample and growing evidence that vertical integration of PBMs in the healthcare space has led to increases in purchasers' and patients' drug prices through price discrimination, utilization of harmful "clawback" mechanisms on pharmacies, use of "list prices," "spread pricing," and "patient steering," for brand, generic and specialty drugs and to PBM-affiliated pharmacies.

The *Protecting Patients Against PBM Abuses Act* would go a long way towards addressing PBMs' anticompetitive business practices that are putting many independent pharmacies out of business and creating "pharmacy deserts" in minority and underserved communities, where the neighborhood pharmacy may be the only health care provider for miles.¹ Specifically, H.R. 2880 would:

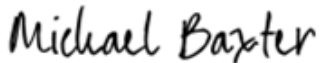
- Delink PBM compensation from the cost of medications so that PBMs are no longer benefiting from increasing list prices and rebates.
- Prohibit PBMs from reimbursing non-affiliated pharmacies at a rate less than they reimburse their own pharmacies, thus removing incentives to steer patients.
- Prohibit spread pricing in the Medicare Part D program.

¹ Guadamuz, Jenny. Et. al. Fewer Pharmacies In Black And Hispanic/Latino Neighborhoods Compared With White Or Diverse Neighborhoods, 2007–15. Health Affairs. May 2021, available at: <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2020.01699>

- Increase transparency by requiring PBMs to publicly report all rebates and fees they receive from drug manufacturers.

We look forward to continuing to work with you to protect our patients and promote health care equity in rural and underserved communities. Thank you, again, for your leadership and efforts to stop PBMs from driving up costs for patients and limiting patient access to our nation's pharmacists and the pharmacies of their choice.

Sincerely,



Michael Baxter
Acting Head of Government Affairs
American Pharmacists Association

cc: The Honorable Lisa Blunt Rochester
The Honorable Nicole Malliotakis
The Honorable Jake Auchincloss