

EXPOSING PBM LIES: Uncover the Truth about Rx Costs



Pharmacy benefit managers, or PBMs, repeatedly try to convince us that they're working transparently to secure prescription drug discounts and keep costs down.

Don't be fooled.

PBMs' role in the convoluted drug pricing system drives up consumer out-of-pocket costs. PBMs aren't working for consumers, their "clients" are employers, state governments, and health plans... and even they aren't seeing great value...

Here are some of the most common **PBM lies** – and the truth you deserve to know:

PBM claim:
PBMs don't determine the price of medicines, manufacturers do.



THE FACTS: Although drug companies set the list prices of medicines, they're also forced to give significant discounts to PBMs as part of negotiating coverage terms.

- Discounts, now over **\$330 billion** annually, are often not shared with patients. Drugmakers may, on average, discount medications by nearly half, but PBMs retain large portions of those discounts, leaving patients to pay the full list price.

PBM claim: PBMs use negotiating power to lock in prescription drug savings.



THE FACTS: Drug manufacturer discounts often stay in PBMs' pockets for no reason other than to pad the middlemen's profits. Meanwhile:

- **Employers** are paying **higher costs** for prescription drug benefits, and in some cases are simply being overcharged. In one example, a recent audit found Express Scripts overcharged postal workers by **\$45 million**.
- **States** are also getting ripped off - CVS and its PBM recently agreed to pay **\$45 million** to Illinois for failing to pass on drug rebates to customers.
- **Pharmacies** are being **reimbursed by PBMs for medications at a rate lower than it costs to** dispense the medicines.
- **Patients** are unable to afford their medicines - the CDC found that **9 million Americans** are not taking their medicines as prescribed due to high costs.

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PBM claim: PBM clients know exactly how the dollars flow.



THE FACTS: Investigations continue to unveil that PBMs are keeping the employers, states, and health plans they work for in the dark and not delivering the best value.

- Employers of all sizes, but especially small businesses, are getting ripped off, paying higher costs for the same level of care for their employees. A Washington state [analysis](#) found that PBMs regularly charge employers more than necessary - costs increased by 30% from 2020-2023.
- Several states have uncovered massive [overcharges](#) and discrepancies in their prescription drug billing.
- States that increased PBM competition through a reverse auction procurement process secured significant savings, for example New Jersey is saving [billions](#), Minnesota [\\$28 million](#), New Hampshire [\\$22 million](#), and Colorado is expected to save [\\$6-10 million](#).

PBM claim: PBMs give you options so that you can make the best decision to keep costs down.



THE FACTS: PBMs are not only steering clients away from independent pharmacies, a recent [House Oversight & Accountability Committee report](#) found that they're also steering patients towards mail-order pharmacies that are linked directly to the PBMs.

- An [FTC analysis](#) found examples of PBM-affiliated pharmacies receiving significantly higher reimbursement rates than unaffiliated pharmacies. For just two cancer drugs, for example, PBMs made \$1.6 billion of additional revenue in under three years.

PBM claim: PBMs try to steer clients to generic drugs to save money.



THE FACTS: PBMs often [exclude low-priced generics from formularies](#) because they can collect higher rebates for more expensive medicines.

- Patients and payers are being overcharged by [20%](#) for generics – one [study](#) found that PBM generic markups in Medicare can reach as high as 7,000%.
- PBMs often categorize generic treatments as “specialty” drugs to increase the costs. In one example, the [Wall Street Journal](#) found that PBMs could charge more than \$6,000 for a cancer drug that could cost as little as \$55 a month.



These middlemen continue to deceive us, driving up prescription drug costs across the board. Congress must pass policies that ensure PBMs pass savings directly to consumers and stop PBMs from profiting off prescription costs.

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