

## **Community Oncology Alliance Supports Bipartisan “Phair Pricing” PBM Reform Act**

### *Ensuring Patients Receive All Negotiated Discounts and Rebates at Point-of-Sale is Important Step to Reforming Broken Drug Pricing System*

Washington, DC – May 25, 2018 – The Community Oncology Alliance (COA) strongly supports H.R. 5958, the “The Phair Pricing Act of 2018” introduced today by Representatives Doug Collins (R-Ga.) and Vicente Gonzalez (D-Texas). This bipartisan bill will ensure that the savings that pharmacy benefit managers (PBMs) negotiate are passed along to patients at the point-of-sale.

Under Medicare Part D, PBMs negotiate discounts and rebates to drug list prices with pharmaceutical manufacturers on behalf of insurance companies, employers, and the government. However, because of the convoluted and opaque nature of PBM contracts, these savings are often not passed on to lower the price of prescriptions for patients but instead serve to increase PBM profit margins. The result is that patients are stuck paying the full, inflated list price on medications, even though their health plan has received discounts and never paid that list price.

“This legislation ensures that the savings PBMs negotiate are passed along to patients at the pharmacy counter and not pocketed by these middlemen corporations. PBMs have been secretly reaping the benefits of discounts and rebates at the expense of cancer patients for too long. We strongly support Representatives Collins and Welch for helping reform this convoluted system so that it helps patients, not middlemen corporate profits,” said Ted Okon, executive director of COA.

“Patients who face high deductibles and prescription drug costs should be receiving the benefit of all the discounts and rebates that PBMs negotiate, supposedly on their behalf,” said Steven L. D’Amato, RPh, BSPHarm, executive director of New England Cancer Specialists. “This legislation is an important step in the right direction to finally reforming a system that too-often benefits PBM middlemen and not the patients.”

Community oncologists have been sounding the alarm on PBM abuses in recent years. Hired by insurance companies, employers, and the government to manage drug benefits, PBMs have the power to negotiate drug costs, determine which drugs will be included on plan formularies and control how those drugs are dispensed. PBMs claim to be working to lower drug costs, but year after year, patients continue to pay more, as documented by the rising gap between list prices of drugs and true, net prices realized by PBMs.

Additionally, PBMs often perversely make more money by delaying or denying patients’ access to necessary medications. COA has documented real-life patient [horror stories](#) from practices and physicians about patients battling cancer who have suffered at the hands of PBMs due to

delayed coverage decisions, denial of coverage, arguments with physicians over proper treatment, and failure to receive medications in a timely manner.

COA is a non-profit organization singularly dedicated to advocating for community oncology patients and practices. We stand ready to help Representatives Collins and Welch advance this important legislation, as well as provide insight into the impact of PBMs on cancer patients, providers, and the overall health care system. It is time for Congress to put a stop to PBM abuses by introducing greater transparency, stopping their nickel-and-diming fee structures that have pushed drug prices higher and higher, and requiring them to allow patients to receive medications at the pharmacy of their choice.

###

**The Community Oncology Alliance (COA)** *is a non-profit organization dedicated solely to preserving and protecting access to community cancer care, where the majority of Americans with cancer are treated. COA leads community cancer clinics in navigating an increasingly challenging environment to provide efficiencies, patient advocacy, and proactive solutions to Congress and policymakers. Learn more about COA at [www.CommunityOncology.org](http://www.CommunityOncology.org).*