

## Physicians' group wants PBM drug price transparency



Health plans, PBMs, and pharma makers should report the amount paid for prescription drugs and other pricing information to the HHS, according to a new policy paper.

In its [“Policy Recommendations for Pharmacy Benefit Managers to Limit the Escalating Price of Prescription Drugs”](#) article, published in the *Annals of Internal Medicine*, the American College of Physicians said it supports “improved transparency, standards, and regulation for pharmacy benefit managers (PBMs)”.

“At the state and federal level, policymakers are attempting to improve transparency for PBMs and other parts of the supply chain,” ACP wrote. “The ACP believes that transparency is an important component of the efforts to lower the cost of prescription drugs and can contribute to ongoing efforts to address the cost of the US healthcare system.”

ACP calls for “stringent oversight” and regulation of mergers and consolidation within the PBM industry and said there should be a ban on “gag clauses” that prevent pharmacies from sharing pricing information with consumers.

ACP is also urging health plans to provide “accurate, understandable, and actionable information” on the price of prescription medication. The information should be available to physicians and patients at the point of prescribing to facilitate informed decision making about clinically appropriate and cost-conscious care, ACP wrote.

“ACP believes health plans, PBMs, and pharmaceutical manufacturers should report the amount paid for prescription drugs, aggregate amount of rebates, and nonproprietary pricing information to the Department of Health and Human Services and make it publicly available,” the organization wrote.

ACP is concerned that recent consolidation in PBM market has placed greater leveraging and negotiating power in the hands of a few large PBMs. CVS Caremark, OptumRx, and Express Scripts represent as much as 85% of the market share in the US, the group said.

Plus, two mergers between PBMs and health insurers—Cigna’s acquisitions of Express Scripts and CVS Health’s acquisition of Aetna—“raised concerns among providers, patients, and other stakeholders that the increased market concentration resulting from the mergers may result in reduced competition and increased prices for patients,” ACP wrote.

“In the US pharmaceutical market, where competition and consumer choice are cornerstones of a healthy market system, consolidation that limits these factors can create scenarios in which PBMs are not motivated to bargain with manufacturers to keep drug costs down,” ACP wrote.

In addition, PBMs have been criticized for “clawbacks,” which occur when patient copayments or coinsurance are set at a rate that is higher than the acquisition cost of the drug for the insurer. “With the increased visibility and criticism of PBMs, lawsuits, including class action lawsuits, have been filed against PBMs claiming illegal pricing schemes, violations of anti-kickback statutes, and other misconduct,” ACP wrote.