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July 26, 2023

## **Wyden Statement at Finance Committee Markup of the Modernizing and Ensuring PBM Accountability Act** *As Prepared for Delivery*

The Finance Committee has convened today to vote on a set of proposals that will modernize federal prescription drug programs and put a stop to practices by pharmacy benefit managers that are driving up drug costs for patients and taxpayers.

Pharmacy benefit managers are the middlemen between your health insurance and drug makers that virtually seize every prescription handed from a doctor to a patient. Decades ago, PBMs served a role to assemble mountains of claims data and use bargaining power on behalf of insurance companies to negotiate with drug makers for lower prices. But in recent years, these businesses have consolidated into mega-corporations that dominate the market. This consolidation has allowed PBMs to adopt tactics and play games with their data that result in higher profits for themselves and higher costs for everyone else.

Each year, the United States spends more than 4 trillion dollars on health care - too much of that is frittered away on outdated middlemen practices. So the business before the committee today is to begin to root out inefficient middlemen practices. These targeted changes to Medicare and Medicaid will stop the infuriating games and steer America's prescription drug market towards a state of rationality where the incentives are always to have lower costs for patients and taxpayers.

I'd like to thank Ranking Member Crapo and every member of this committee for their dedicated work on a bipartisan basis to get to this markup. A little less than four months ago, the Finance Committee held a hearing to examine PBM industry practices that may be resulting in higher prices and a dysfunctional market. Since then, members and our staff have been working around the clock to craft proposals to begin a course correction.

I want to emphasize to members that Ranking Member Crapo and I have agreed to continue to work together following today's committee action to develop and include as many additional proposals as possible as legislation reported out of the Finance Committee moves towards the Senate floor. There is no shortage of thoughtful, bipartisan ideas on offer today and I believe many of them can make it to the president's desk.

Now I'm going to briefly share some of the significant developments that the Finance Committee will be considering today. This effort marks the first time in decades that Congress has taken on the power of middlemen that are keeping a big cut of this 4 trillion dollars and sending health care costs skyrocketing for everyone else.

First up is putting a stop to PBMs compensation being tied to the sticker price of a drug that is causing these middlemen to often favor higher-priced drugs. PBMs' incentive today is all wrong - they win when prices are higher, not lower. Today's proposals will flip that on its head.

Another set of provisions will shine a light on PBMs that have operated in the shadows for years. Our proposals will make it clear when PBMs are giving taxpayers and patients a bad deal. This additional sunshine will be complemented by independent audits and strong enforcement measures to ensure PBMs are complying with the law.

The committee's proposal also contains measures we are including to start opening up new opportunities for small pharmacies. In many parts of the country, particularly rural areas and large cities, independent pharmacies are more familiar than most with the difficulty of dealing with this out-of-whack prescription drug market.

I've seen and heard firsthand in my home state of Oregon how precarious pharmacies are in small towns like Grants Pass, Pendleton, Redmond and so many communities across Oregon. Independent pharmacies are forced to close or consolidate due to PBM practices that steer patients away from their community pharmacy or set payment below the pharmacy's actual cost of dispensing prescription drugs. These practices are examples of big corporations using their market power to bully small businesses out of the market.

What we will be considering today is just the beginning of our effort to provide relief to small community pharmacies, and I'm pleased to have partnered in a bipartisan way with Senators Brown, Grassley, Casey, Lankford, Warner and Thune who have led the charge. Our proposals start by providing relief now and paving the way for more transformation in the role of small pharmacies in the coming months.

Today's proposals are to a great extent based on bipartisan proposals that have been championed by members on both sides of the dais. I'm proud that committee members have been able to come together on a bipartisan basis and agree on these important policies. I thank our staffs for their speedy and diligent work to put these proposals together.

Now I will turn it over to my partner, Ranking Member Crapo for his opening remarks. After Senator Crapo, other committee members will be recognized for up to two minutes to make opening remarks.

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