

A LIFELINE FOR PATIENTS IN NEED TURNED INTO A CASH STREAM FOR PBMs

The 340B drug program was designed to make medicines more affordable for patients in need. But insurance middlemen pharmacy benefit managers (PBMs) are exploiting the system.

The program requires drug manufacturers to offer discounted medicines to participating entities, but there is no guarantee patients benefit:

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Even when we lower our prices, too often people don't receive the savings — this is a problem.”

Jamie Bennett, a spokeswoman for Novo Nordisk

WHY? PBMs ARE INFLATING 340B DRUG PRICES AND PROFITING OFF THE SPREAD.

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The intention behind the program was for a small number of safety-net providers to have access to affordable drugs and be able to expand their care for needy patients. But instead, the program has exploded: Now, more than half of nonprofit hospitals in the United States take part.”

Cost Curve News

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Instead of passing along these deep discounts to the patients - because of poor oversight and transparency - what we're finding instead is that these big entities; the hospitals, the contract pharmacies, and others in the system, are pocketing huge profits and as a result, patients are not getting the discounts that were originally intended under the legislation”

Sally Greenberg, CEO of the National Consumers League

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The three largest pharmacy chains and the three largest PBMs account for 75% of all contract pharmacy covered entry relationships.”

Adam J. Fein, President of Drug Channels Institute

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From 2017 to 2022, the companies (PBMs)... marked up prices at their pharmacies by hundreds or thousands of percent, netting them \$7.3 billion in revenue in excess of the acquisition costs of the drugs.”

[Reuters](#)

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The \$7.3 billion is the difference between what they are reimbursing themselves and what it is estimated to cost them to acquire the drug.”

[FTC spokesperson](#)

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We need to make sure there's no abuse from middlemen... Their profits have increased astronomically. We need to make sure that there's a way to put guardrails on the programming so that they're not taking a large cut of the benefits that are intended for folks who need them.”

[Amy Hinojosa,](#)
President and CEO of Mana

UNTIL GUARDRAILS ARE PUT IN PLACE, PBM DRUG MARK-UPS WILL CONTINUE TO COST EVERYONE MORE.

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Ms. Salgado, who does not have health insurance, suddenly faced costs of hundreds of dollars per month. She could not afford it. Her doctor switched her to cheaper medicines. Within days of taking one of them, she experienced dizzy spells so severe that she said could barely keep up with her hectic daily schedule as a phlebotomist and an in-home caregiver. By the time she returned to the doctor in September, her blood sugar levels had ticked up.”

[NEW YORK TIMES](#)

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I do not believe the public would oppose the idea of helping low-income patients, but I think the public would oppose the idea of not knowing that they are abusing a program intended for low-income patients to generate financial profit for contract pharmacies for covered entities that do not pass through the (savings).”

[DR. GE BAI, JOHNS HOPKINS UNIVERSITY](#)

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