

# THE PBMAFIA: Takeaways

## THE BASICS

**Pharmacy Benefit Manager (PBM)** = a company that manages prescription drug benefits on behalf of health insurers, Medicare Part D drug plans, large employers, and other payers” (The Commonwealth Fund, 2019)

- The “middleman” between pharmacy providers and payers (state & federal governments, private insurance companies & large employers)
- Responsibilities include:
  - Automated processing of Rx claims → **under-reimburse pharmacy providers for services rendered, DIR fees (“clawbacks”) on Medicare claims**
  - Creating “formulary” of covered drugs for payers → **control what drugs are accessible to/affordable for patients (e.g., forcing patients to take expensive brand-name drugs)**
  - Negotiating rebates with drug manufacturers → **keep rebates as profit**
  - Creating pharmacy networks → **“patient steering” to pharmacies they own/operate**
  - Reviewing drug utilization
  - Managing mail order & specialty pharmacies → **own/operate low-quality pharmacies that patients are often “steered” to**

**PBM abuse** = umbrella term referring to the ways in which the PBM industry abuses the American healthcare system in both ethically questionable and outright illegal ways

- Who suffers? The **“3 P’s”** = patients, providers & payers

The **“big 3”** PBMs = CVS Caremark, Express Scripts & OptumRx

- Together account for ~80% of entire PBM market
- Others include Humana, MedImpact & Prime Therapeutics

**Pharmacy desert** = a community or neighborhood with limited access to pharmacy care

- Technical definition first devised by Dr. Dima Qato, Assistant Professor, Dept. of Pharmacy Systems, Outcomes & Policy at the University of Illinois Chicago (UIC)
  - Rural → no pharmacy within 10 miles
  - Urban (limited vehicle access/using public transit) → no pharmacy within 0.5 miles
  - Urban (adequate vehicle access) → no pharmacy within 1 mile
- Why can’t chain & mail order pharmacies bridge this gap in care?
  - **Chain pharmacies** closing widely across the nation due to: growing competition, changing consumer behaviors, retail crime, staffing shortages, minimal store investment, comedown from COVID pandemic-era sales
    - Have a tendency to enter a community, stay long enough for independent pharmacy(ies) to close, then leave when retailers want to offload them
  - **Mail order pharmacies** are cumbersome, confusing & known for providing low-quality care. They’re also only an option for filling maintenance medications (e.g., no antibiotics, new prescriptions that must be started right away).

## WHAT YOU CAN DO

- Combat lack of awareness/understanding of this issue through patient education
- Legislative advocacy at the state AND federal level

- Patronize independent pharmacies, even if you're not their prescription patient (e.g., purchasing OTC items, vaccination)
- Choose your insurance company wisely (and/or participate in self-pay pharmacy)

## LEARN MORE

- [St. Paul Corner Drug](#)
  - [Legislative Action](#) ← a great resource to share with patients to learn about the basics!
  - [Insurance](#)
  - [File a Complaint Against Your Insurance or PBM](#)
- [The Commonwealth Fund](#)
  - [Pharmacy Benefit Managers and Their Role in Drug Spending](#)
  - [Pharmacy Benefit Managers: Practices, Controversies, and What Lies Ahead](#)
- [Minnesota Independent Pharmacies \(MNIndys\)](#)
- [OnPoint Podcast \[NPR\]](#)
  - Pharmacy benefit managers: The middlemen who decide what you pay for medications [12/14/23]
  - The looming pharmacy crisis in America [12/4/23]
- [PBM Reform Podcast](#)
- [Pharmacists United for Truth & Transparency](#)
  - [Pharmacy Patient FAQs](#) ← a great resource to share with patients to learn about the basics!

**Know a group of individuals interested in hosting a presentation on PBM abuse?**

Email Hildie at [hildie@stpaulcornerdrug.com](mailto:hildie@stpaulcornerdrug.com)

**Know a group of individuals interested in hosting a vaccination event (on-site at St. Paul Corner Drug or off-site)?**

Email John at [jhoeschen@stpaulcornerdrug.com](mailto:jhoeschen@stpaulcornerdrug.com)