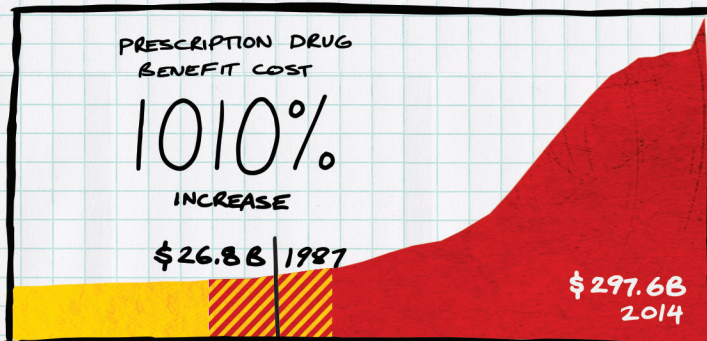


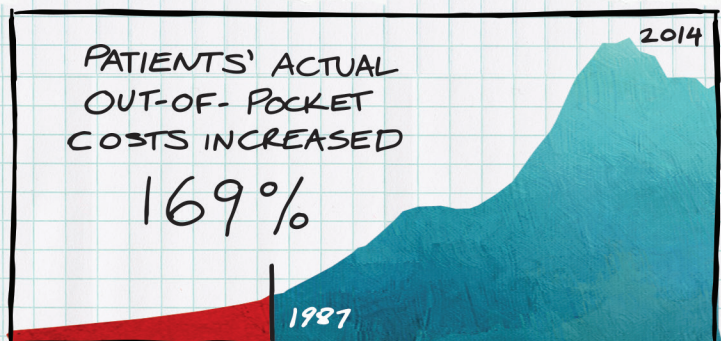
Want to reduce prescription drug costs?

PAY ATTENTION TO THE MIDDLEMEN.



Source: Statista Inc.

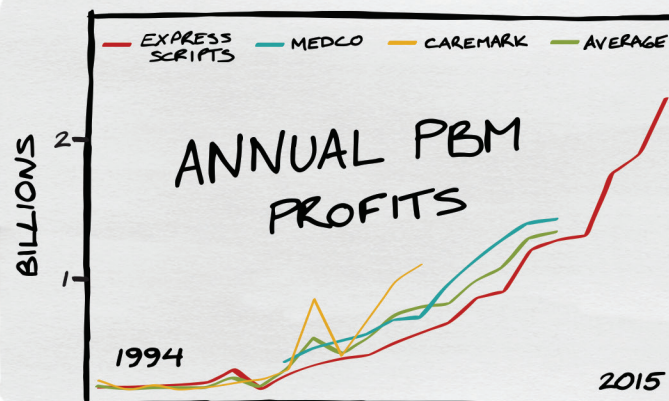
LARGE PBMs INCORPORATE



Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

"According to one estimate, PBMs fail to pass \$120 billion back to consumers, and retain another \$30 billion in additional out-of-pocket costs."

~ "YOU CAN BLAME PHARMACY BENEFIT MANAGERS FOR HIGHER DRUG PRICES," *REAL CLEAR HEALTH*, MARCH 28, 2017



Source: Medco was owned by Merck from 1994-2003 and purchased by Express Scripts in 2012. Publicly available income statements are reported from 2001-2011. Caremark was purchased by CVS in 2006. Net income from publicly reported statements are reported from 1994-2006. Reported net income excludes negative values from discontinued operations reported on 10-K forms from 1995-2000. Express Scripts has been the sole independent major PBM with publicly available income statements since 2012.

Today

PBMs control the pharmacy benefits of more than

253 MILLION Americans.

After numerous acquisitions and consolidations,

Just 3 PBMs

now **CONTROL 78%**

of prescription drug benefit transactions in the U.S.¹

¹ Health Strategies Group, "Research Agenda 2015: Pharmacy Benefit Managers," http://www.healthstrategies.com/sites/default/files/PBM_Research_Agenda_PBM_RA101513.pdf. Similar figures come from "Prescription Medicines: Costs in Context," August 2016, available at <http://phrma-docs.phrma.org/sites/default/files/pdf/prescription-medicines-costs-in-context-extended.pdf>.



A few prescriptions for what's ailing health care costs:

- ☒ **Plan sponsors and policy makers must demand transparency from PBMs.** It is in their interest to do so.
- ☒ **Help ensure PBM accountability by supporting the following legislation:**
 - S. 413 and H.R. 1038, the "Improving Transparency and Accuracy in Medicare Part D Drug Spending Act."
 - H.R. 1316, the "Prescription Drug Price Transparency Act."
 - H.R. 1939, the "Ensuring Seniors Access to Local Pharmacies Act."
- ☒ **Change the model:** Plan sponsors should insist on a flat fee system that eliminates hidden asks.
- ☒ **Leverage the expertise of community pharmacists.** We can help reduce prescription drug spend and improve patient health outcomes.

READ MORE AT WWW.NCPANET.ORG/ADVOCACY

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