

March 13, 2023

The Honorable Maria Cantwell
U.S. Senate
511 Hart Senate Office Building
Washington, DC 20510

The Honorable Chuck Grassley
U.S. Senate
135 Hart Senate Office Building
Washington, DC 20510

Dear Senators Cantwell and Grassley:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing in support of the S. 127, the “Pharmacy Benefit Manager Transparency Act of 2023,” and S. 113, the “Prescription Pricing for the People Act of 2023.” Both bills are promising as they shed light onto the pharmacy benefit manager (PBM) business practices while also prohibiting unfair or deceptive PBM conduct that drives up costs for patients.

The “Pharmacy Benefit Manager Transparency Act of 2023” would prohibit PBMs from engaging in unfair or deceptive reimbursement and payment tactics, incentivize fair and transparent PBM practices, and require PBMs to file an annual report to the Federal Trade Commission (FTC) disclosing certain payments received and fees associated with their operating practices. The “Prescription Pricing for the People Act of 2023” complements these efforts by directing further investigation on the part of the FTC to study the effects of consolidation in the PBM industry on pricing, and subsequently providing recommendations to Congress on ways to improve competition and protect patients. The AMA agrees that both bipartisan bills would help promote greater transparency of PBM policies and practices, and their impact on patients, physicians, employers, independent and chain pharmacies, and other businesses across the pharmaceutical distribution system.

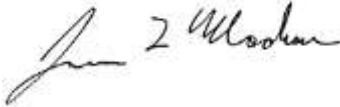
The call for increased oversight and studies to prevent unfair or anticompetitive PBM practices is overwhelmingly welcomed. In October 2022, the AMA released the findings from a new [analysis](#) that reflects the widespread lack of competition in local markets across the United States where PBMs provide services to commercial health insurers. This analysis is the first to shed light on variations in market shares and competition among PBMs at the state and metropolitan levels. Protecting patients and physicians from anticompetitive harm is another layer of complexity that warrants attention as you continue to work through these issues to protect patients and ensure prescription drugs remain affordable and accessible.

Physicians have long expressed concerns about the detrimental impact PBM business practices have on patients’ access to and the cost of prescription drugs. The opaque nature of PBM negotiations and operations makes it exceedingly difficult for physicians to determine what treatments are preferred by a particular payer at the point-of-care, what level of cost-sharing their patients will face, and whether medications are subject to any step therapy or other utilization requirements. Physicians experience and see first-hand the difficulty and burden high pharmaceutical costs have and continue to impose on their patients’ care.

The Honorable Maria Cantwell
The Honorable Chuck Grassley
March 13, 2023
Page 2

The AMA appreciates your efforts and is pleased to offer our support for your legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and a distinct "M".

James L. Madara, MD