

# PBM TRANSPARENCY IN MEDICAID MANAGED CARE IS THE MOST DIRECT ROUTE TO LOWERING TAXPAYER-FUNDED PRESCRIPTION DRUG COSTS

*Feds Overlooking \$1 Billion Taxpayer Savings Opportunity, Choosing to Keep PBM Spread Pricing and Other Non-Transparent Practices In "Build Back Better" Act*



**Pharmacists United for  
Truth & Transparency**  
TruthRx.org

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/EINPresswire.com/ -- Pharmacists United for Truth and Transparency (PUTT) expresses frustration and disappointment at Congress' failure to include provisions from Senators Ron Wyden (D-OR) and Chuck Grassley's (R-IA) S.B. 2543 Prescription Drug Reduction Pricing Act in H.R. 5376, the Build Back Better Act. The provisions would have helped lower prescription drug costs in taxpayer-funded Medicaid by exposing the degree to which pharmacy benefit manager (PBM) mark-up of prescription drugs increases costs to Medicaid endpayers - the taxpayers. The Wyden-Grassley bill calls for drug cost transparency including ending PBM spread pricing in Medicaid, enacting "pass-through" pricing, and matching Medicaid drug reimbursements to national prescription drug acquisition costs. Currently, only drug acquisition cost surveying is included in the Build Back Better Act.

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& Transparency*

Section 206 of the Wyden-Grassley Prescription Drug Reduction Pricing Act specifically addressed PBM spread

pricing, the practice of charging state Medicaid a higher price than the amount the PBM reimbursed the pharmacy for a dispensed drug; and mandated "pass-through" pricing, allowing state Medicaid to pay the same cost as what the dispensing pharmacy was reimbursed. The Wyden-Grassley bill included matching Medicaid drug costs to retail survey-based National Average Drug Acquisition Cost (NADAC) pricing, a publicly-available drug cost database that is updated weekly by pharmacies and posted monthly by the Centers for Medicaid and Medicare

(CMS).

Studies of state Medicaid programs since 2018 have [uncovered startling PBM business practices](#) showing PBM profiteering off patients, pharmacies, and taxpayers. Beginning with an Ohio investigation demonstrating the state had paid some \$208 million in spread pricing on Medicaid generic prescriptions, studies in New York, Illinois, Florida, Michigan, and Massachusetts have since confirmed so-called “proprietary” (opaque) spread pricing strategies are costing state and federal governments as much as 6 times the “normal” PBM market rate per Medicaid prescription for administering claims.

Last month Ohio [Medicaid Director Maureen Corcoran confirmed PBMs have been “clawing back”](#) and presumably keeping millions of dollars from Ohio Medicaid network pharmacies instead of returning the funds to the state, furthering the need for transparency between health plan payers and PBM middlemen, and illuminating the need for PBM scrutiny at both the state and federal levels.

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