

# House Oversight Committee Releases Report Highlighting Need for Transparency in PBMs

*Report shines light on impact traditional PBMs have on rising healthcare prices*

LOUISVILLE, KY, UNITED STATES, July 24, 2024 /EINPresswire.com/ -- Today, the House Committee on Oversight and Accountability published an insightful report in advance of its hearing with representatives from OptumRx,

Express Scripts, and CVS Health. This report highlights the challenges posed by the current practices of the "big three" Pharmacy Benefit Managers (PBMs), which dominate 80% of the PBM market, and underscores the importance of transparency and fairness in our industry.



AffirmedRx, PBC logo

The report finds that the vertical integration in the large health insurance market has not helped patients access the medications they need, as it claims to do. In fact, patients are seeing significantly higher costs with fewer choices and a lower quality of care. This report describes that the Committee on Oversight and Accountability's findings include that PBMs inflate prescription drug costs and interfere with patient care for their own financial benefit.

"The report released today by the [House Oversight Committee](#) and the accompanying hearing with 'big three' representatives both shine a bright light on the negative impact that traditional PBMs have on healthcare costs, even while claiming to be beneficial" said Greg Baker, Founder and CEO of [AffirmedRx](#). "We have proven that their model is harmful and outdated; a transparent model such as ours at AffirmedRx is infinitely better for the business community and for the patients we serve. We support the work of Chairman Comer with the Committee on Oversight and Accountability to help bring true, tangible reforms to the healthcare market. Their insightful report is a testament to the importance of our commitment to operating with integrity and putting patients first."

AffirmedRx is extremely proud of the work that Representative James Comer and the House Committee on Oversight and Accountability have done to bring this bipartisan issue to light. We join the Committee in the fight to fix the PBM industry by focusing on allowing the market to be competitive and transparent. We have proven that the traditional model is harmful and outdated. "It is possible to operate a PBM, restrain costs for the employer and taxpayers while

still providing the best pharmacy care available. But changes must be made to require greater transparency and allow for greater competition for this to happen," Baker noted.

Of the Committee's findings, some of the most illuminating points include:

#### 1. Big PBMs Utilize Anti-Competitive Practices

- o The largest PBMs leverage their market dominance to enforce policies that stifle competition. This includes steering patients towards pharmacies they own, thereby limiting patient choice and increasing overall healthcare costs.

#### 2. Big PBMs Increase Drug Costs

- o The Committee's findings include that the harmful practices of big PBMs have significantly driven up the cost of prescription drugs. This is largely due to opaque pricing mechanisms, such as spread pricing, where PBMs charge payers more than they reimburse pharmacies and pocket the difference.

#### 3. Big PBMs' Tactics Damage Quality of Care

- o The report highlights the big PBMs' detrimental effects on patient care, including delayed access to essential medications due to prior authorization requirements and formulary restrictions. These practices not only compromise patient health but also lead to increased out-of-pocket expenses.

#### 4. Big PBMs' Lack Transparency

- o One of the core issues identified in the Committee's findings is the lack of transparency in PBM operations. The report calls for increased transparency to ensure that savings from negotiated discounts and rebates are passed on to patients and payers, rather than being retained as profit by PBMs.

As these key findings demonstrate, the Committee on Oversight and Accountability stressed in its report the need for federal and state-level reforms to address the damage that big PBMs do to the healthcare industry and to patient wellbeing. Recommendations include banning anti-competitive practices, ensuring fair reimbursement for pharmacies, and mandating transparent reporting of all fees and rebates.

"We are grateful to Chairman Comer and the Committee on Oversight and Accountability for sharing our commitment to promoting transparent practices in pharmacy benefit management. Their work and their meaningful findings only further validate our mission at AffirmedRx. We will continue to lead by example so that we can demonstrate the transformative impact that transparent and equitable practices can have on both payers and patients," added Baker.

About AffirmedRx, PBC

AffirmedRx, PBC is a pharmacy benefit manager that partners with self-funded employers to

deliver patient-centric pharmacy benefits with a mission to improve health care outcomes by bringing clarity, integrity and trust to pharmacy benefit management. As a public-benefit corporation, its social mission of improving public health is just as important as the bottom line.

Learn more at [www.AffirmedRx.com](http://www.AffirmedRx.com). Connect with us on LinkedIn at [www.linkedin.com/company/AffirmedRx](http://www.linkedin.com/company/AffirmedRx).

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