

Ranking Member Wyden
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

RE: C-THRU Act of 2017

May 8, 2017

Ranking Member Wyden:

The Alliance for Transparent and Affordable Prescriptions (ATAP) is a coalition of provider and patient groups who have joined together over our shared concern with the practices of pharmacy benefit managers. As patient and healthcare provider advocates, we are supportive of your recently introduced legislation, the Creating Transparency to Have Drug Rebates Unlocked (C-THRU) Act.

Pharmacy benefit managers (PBMs) were created to control drug utilization and cost. While the PBMs have become incredibly effective at negotiating discounts and rebates from manufacturers, patients never see the benefit of these undisclosed “savings”. Indeed, patients’ cost-sharing amounts are often based on fictional, artificially high prices instead of the price negotiated between the PBM and the manufacturer.

We see the problems with the current PBM landscape as threefold: there is a lack of transparency, an overly concentrated market, and unchecked conflicts of interest. Your legislation takes a critical first step in addressing the lack of transparency by requiring information on rebates, discounts, and spread pricing to be posted on the Centers for Medicare and Medicaid Services website. Following an initial two-year period of public reporting, the legislation requires that a minimum percentage of the rebates and discounts be passed on to the health plan. Finally, the legislation requires Part D cost-sharing be based on the negotiated price between the manufacturer and the PBM. This combination of transparency and forcing the savings to be passed on to beneficiaries will result in untold savings for patients.

As we have outlined, the problem with PBMs in their current form is multifaceted and, as such, will require several solutions. There is legislation (HR 1316) that addresses the current unpredictability, lack of checks on conflict of interest, and lack of transparency in PBM dealings with pharmacies, and we are eager to work with you to advance similar legislation in the Senate as well.

Almost all participants in the healthcare system are held accountable for their value to patients and the healthcare system. That includes healthcare providers, but also hospitals, pharmaceutical manufacturers, and everyone in between. Yet, PBMs have no

fiduciary duty to anyone but their shareholders. This has created an untenable situation, and we thank you for your leadership in attempting to right the ship. We hope to work with you to advance this legislation and, to that end, please do not hesitate to reach out if we can help in any way.

Sincerely,

American College of Rheumatology
Arthritis Foundation
Coalition of State Rheumatology Organizations
Global Healthy Living Foundation
Lupus and Allied Diseases Association
National Organization of Rheumatology Managers
Rheumatology Nurses Society