

# SAVE AL PHARMACIES! SUPPORT SB99

## AL PHARMACY CRISIS

In the last six years, roughly 300 of 800 independent pharmacies in Alabama have closed their doors. Practices of large PBMs threaten the existence of community pharmacies and stifle patient choice and access to care.

## PROBLEMS WITH PBMS

(PHARMACY BENEFIT MANAGERS)

- ✓ **Unfair reimbursement rates** PBMs pay higher reimbursement rates to their own or corporate pharmacies.
- ✓ **Audit abuses:** PBMs audit independent pharmacies at much higher rates than their corporate chain pharmacies.
- ✓ **Drive patients away** from independent pharmacies. PBMs deny coverage of drugs at small competitors or force patients to pay a higher co-pay than corporate pharmacies.
- ✓ **Gag Order on independent pharmacies** PBMs enforce gag clauses on independent pharmacies so they are not able to discuss the unequal treatment from PBMs.

## SB99-WILL DO THE FOLLOWING:

- ✓ **Expand oversight** for the amounts that PBMs reimburse pharmacies
- ✓ **Regulate** how PBMs process claims, determine payment amounts and use manufacture rebates.
- ✓ **Prohibit** PBMs from influencing health insurance beneficiaries to buy a particular RX or only use pharmacies within the network
- ✓ **Regulate** the audit of a pharmacy by PBMs



## WHAT IS A PBM?

Pharmacy Benefit Managers (PBMs) are companies that act as middlemen between insurance companies and patients, and then pay pharmacies.

They are primarily responsible for developing and maintaining the formulary, contracting with pharmacies, negotiating discounts and rebates with drug manufacturers, and processing and paying prescription drug claims.

The four largest PBMs—UnitedHealth, CVS, Cigna and Humana —have combined revenues exceeding \$1 trillion, equaling 22% of national health expenditures. From 2016 to 2023, their combined adjusted operating profits and net income grew by 133% and 159%, respectively.