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**FOR IMMEDIATE RELEASE**

**Landmark PBM Reform Legislation Passed by PA House**

*Legislation to provide PBM transparency, lower prescription drug costs*

**HARRISBURG, Pa. (Nov. XX, 2019)** — A new coalition of independent, community pharmacies today hailed the state House’s passage of a package of reform bills designed to hold Pennsylvania’s pharmacy benefit managers (PBMs) accountable to countless Pennsylvanians who deserve to pay the lowest possible cost for their prescription drugs. House Bills 941, 942, 943 and 944 now go to the Senate for consideration. Your PA Community Pharmacies stands behind this legislation to bring real transparency to drug pricing and to ensure PBMs are treating pharmacies and their patients fairly.

PBMs are private entities that negotiate the purchase of prescription drugs for Medicaid recipients in Pennsylvania. PBMs were designed to save money through bulk purchasing power, but a lack of transparency and government oversight has led them to pocket hundreds of millions of Medicaid dollars. Some PBMs also own retail pharmacies, often steering patients to their own pharmacies and potentially providing them with higher reimbursement rates, while cutting rates for community pharmacies. As they cut rates, some PBMs then send letters to their competitors, offering to buy their pharmacies.

A final bill in the package, House Bill 945, sponsored by state Rep. Stephen Barrar (R-Chester/Delaware), is now positioned for final passage in the House. This bill would forbid PBMs, or a corporate affiliate, from having any ownership interest in pharmacies, if they wish to participate in Medicaid.

Among the issues the package will address is a concept known as “spread pricing.” A recent report from Pennsylvania Auditor General Eugene DePasquale found that PBMs are keeping hundreds of millions of dollars through spread pricing. In this scenario, PBMs bill health plans at a much higher price than they pay the pharmacies, resulting in PBMs keeping millions of dollars in savings that they should be passing along. Unfortunately, Pennsylvania doesn’t require PBMs to report spread pricing, leaving state lawmakers and families in the dark.

“This is common-sense legislation that will hold PBMs accountable for providing Pennsylvania taxpayers with the best price for their Medicaid prescription drugs,” said Patricia Epple, CEO of the Pennsylvania Pharmacies Association and a coalition member. “We thank members of the House for their broad bipartisan support of this package. Pennsylvania should not be overpaying for prescription drugs, and the savings should be invested into the program and the families who need it — not into the pockets of large, corporate PBMs.”

***About YPACP***

*Your PA Community Pharmacies (YPACP) is a coalition of YOUR independent pharmacies across Pennsylvania, who take pride in being long-standing members of their communities. For decades, we have served generations of Pennsylvania families with the best in pharmaceutical care. For more information, see [www.ypacp.org](http://www.ypacp.org). We also can be followed on Twitter at @ypacp.*

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