

COMMITMENT[✓]toSENIORS

November 12, 2024

The Honorable Ron Wyden, Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Mike Crapo, Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Wyden and Ranking Member Crapo:

I am writing to you today on behalf of older Americans and their doctors in support of the Senate Finance Committee's bipartisan Pharmacy Benefit Manager (PBM) reforms. The *Modernizing and Ensuring PBM Accountability Act* (MEPA, S. 2973) and the *Better Mental Health Care, Lower-Cost Drugs, and Extenders Act* (BETTER, S. 3430) will deliver real savings to seniors and end big insurer-PBMs' ability to inflate prices paid by patients for their own benefit – especially American seniors in Medicare.

As you likely know, the “Big Three” PBMs control nearly 80% of the market and are owned by a quasi-cartel of giant health insurance corporations, including UnitedHealth Group, CVS Health, and Cigna. PBMs function by “negotiating” list prices with drugmakers—on which copays are based—while securing substantial rebates that never reach patients at the pharmacy counter but instead simply bolster corporate PBM profit margins.

American Commitment recognizes that one major reason American seniors' health care costs are skyrocketing is that these big insurer-PBM corporations are pocketing massive drug pricing discounts meant for seniors in Medicare. In fact, big insurer-PBM profits are often linked directly to high drug prices, meaning more profits for middlemen and higher costs for seniors who rely on Medicare.

Big insurer-PBM corporations have benefited for years from limited transparency and even enjoyed special exemptions from federal anti-kickback corruption laws, enabling them to pocket large drug discounts meant for Medicare patients. Now, as you know, many on both sides of the aisle in Congress are working to end these corporate middlemen's shady business practices and ensure seniors are getting the discounts and savings that were intended for them.

I strongly urge the Senate Finance Committee to act now—this year—on S. 2973 and S. 3430 to protect older Americans and reign in PBMs' ability to game the Medicare system. PBM reform is well overdue, and patients are feeling the consequences.

If you would like to learn more about Commitment to Seniors, a project of American Commitment, and the campaign we launched today in support of these bipartisan PBM reform bills, I kindly invite you to visit www.CommitmentToSeniors.org/Pass_PBM_Reform_Now. Additionally, I would welcome the opportunity to discuss this matter in more detail with you or a member of your staff whenever feasible.

Sincerely,

Phil Kerpen
President
American Commitment