

April 4, 2023

The Honorable Earl “Buddy” Carter
2432 Rayburn House Office Building
Washington, DC 20515

Re: H.R. 1613, the Drug Price Transparency in Medicaid Act

Dear Representative Carter,

The Taxpayers Protection Alliance (TPA) is pleased to write to you in support of your bill, the Drug Price Transparency in Medicaid Act, H.R. 1613.

To combat rising healthcare costs, lawmakers are rightly focusing on the impact of Pharmacy Benefit Managers (PBMs) on prices. These middlemen have used their position between drug manufacturers and insurers to erode transparency in the pharmaceutical landscape. PBMs inflate their profits by blocking prescription drug savings from reaching patients – through the collection of “rebates” and a practice known as “spread pricing” – where PBMs charge healthcare plans more for treatments than they reimburse the pharmacy, then pocket the difference. This system is especially alarming in taxpayer-funded plans such as Medicare Part D, Medicaid, and state-issued plans. The kickbacks PBMs receive can boost drug costs – and therefore the cost to taxpayers – by 50 percent.

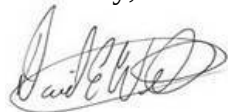
The Drug Price Transparency in Medicaid Act:

- Requires PBMs serving taxpayer-funded healthcare plans to pass savings obtained from drug manufacturers down to insurers and payers;
- Increases transparency in state Medicaid managed care pharmacy programs; and
- Requires pharmacies to report the acquisition cost of prescription drugs.

This legislation will save taxpayers more than \$1 billion by prohibiting spread-pricing in publicly funded healthcare plans. PBMs representing public plans should not benefit from the reimbursements they obtain from drug manufacturers that were meant to save patients and families, not pad bottom lines. These savings should be passed directly, and wholly, to insurers and payers. This legislation ensures taxpayers and Medicaid recipients are not liable for additional, unnecessary costs.

For these reasons, TPA is pleased to endorse the Drug Price Transparency in Medicaid Act in the 118th Congress.

Sincerely,



David Williams
President