



January 25, 2019

The Honorable Elijah E. Cummings  
Chairman  
House Committee on Oversight and Reform  
U.S. House of Representatives  
2471 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Jim Jordan  
Ranking Member  
House Committee on Oversight and Reform  
U.S. House of Representatives  
2471 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Cummings and Ranking Member Jordan:

On behalf of the Pharmaceutical Care Management Association (PCMA), which represents America's pharmacy benefit managers (PBMs), I am writing to thank you for bringing attention to the issue of rising drug prices and to offer ways to reduce prescription drug costs for patients, employers, and the federal government.

Representing patients and health plans, PBMs negotiate discounts and price concessions with drug manufacturers and pharmacies to keep prescription drugs as affordable and accessible as possible. In this role, PBMs administer prescription drug plans for more than 266 million Americans with health coverage through employers, health insurers, labor unions, Medicare and Medicaid. Using innovative cost-saving tools and technologies, PBMs deliver drug benefits that lower costs and expand access to prescription drugs.

As the Committee continues its work with respect to prescription drug costs, there may be those who seek to avoid responsibility for higher prices. Only manufacturers have the power to set prices. We recognize that we all have a role to play in helping to lower costs. PBMs have an established record of negotiating with manufacturers to reduce costs for consumers, either in the form of lower premiums for all participants in a plan, or through lower costs at the counter, usually both.

We know that more needs to be done, and we believe the key to reducing prescription drug costs is increasing and encouraging competition. We are best able to negotiate when competition exists, and support a number of ideas for increasing competition, addressing abusive pricing practices, and building upon market-based tools in public programs.

In the attached document, please find recommended legislative and regulatory steps that Congress and the Administration could take to reduce prescription drug costs. As you will see, our suggestions address the abuses of patents and exclusivity that enable manufacturers to set prices without market competition, sometimes almost indefinitely.



Drug manufacturers do important work to bring life-saving treatments to market, but too often those treatments are extremely expensive and out of reach of those in need. Innovation without affordability significantly reduces patients' access to needed therapies while driving up overall healthcare costs. We should all be working together with the best interests of patients in mind.

We welcome the opportunity to work with the Committee on Oversight and Reform to achieve our shared goal of reducing prescription drug costs and look forward to engaging with you as a resource as you continue this important work.

Sincerely,

A handwritten signature in black ink, appearing to read "JC Scott". The signature is fluid and cursive, written over a light gray horizontal line.

JC Scott  
President and Chief Executive Officer

Attachment