

May 30, 2023

The Honorable James Comer, Chair
U.S. House Committee on Oversight and Accountability
2157 Rayburn House Office Building
Washington, DC 20515

Dear Chair Comer:

On behalf of the American Economic Liberties Project, we thank the U.S. House Committee on Oversight and Accountability for holding a timely hearing May 23rd on "The Role of Pharmacy Benefit Managers in Prescription Drug Markets Part I: Self- Interest or Health Care?" We submit this statement to become part of the hearing's record.

We were pleased to see members of the Committee scrutinize how PBMs wield their market dominance and vertical integration to drive up drug prices and harm patients. We did, however, observe several misguided references at the hearing to a CBO report that claims PBM reform (specifically a now delayed HHS rule shifting manufacturer rebates to the point of sale) will increase federal spending. It is our belief that the CBO analysis in this report is deeply flawed, as it does not account for how rebates today incentivize PBMs to steer patients to more expensive medications.

Additionally, we include two attachments with our statement:

- 1) **"The Pharmacy Benefit Mafia: The Secret Health Care Monopolies Jacking Up Drug Prices and Abusing Patients and Pharmacists,"** which details how the major companies dominate this industry through mergers, rebates, and pharmacy self-preferencing, among other anti-competitive tactics.
- 2) **"Axe the Middleman: How Congress Can Lower Drug Prices Now"** lays out structural policy proposals to address concentrated powers within the PBM industry. We have detailed solutions to separate structurally PBMs from pharmacies and insurers and ban rebates, among other proposals.

Thank you again for your attention to this issue. Please feel free to reach out at any time if we can be of help to your office.

Sincerely,

Morgan Harper
Director of Policy and Advocacy
American Economic Liberties Project