



**Statement for the Record**

**Pharmaceutical Care Management Association**

**505 9<sup>th</sup> Street, NW  
10<sup>th</sup> Floor  
Washington, DC 20004**

**Submitted to the**

**United States House Committee on the Judiciary  
Subcommittee on  
Courts, Intellectual Property, Artificial Intelligence, and  
the Internet**

***Medicines and IP: Balancing  
Innovation and Access***

**June 4, 2026**

## Introduction

The Pharmaceutical Care Management Association (PCMA) appreciates the opportunity to submit this statement for the record for the House Judiciary Subcommittee on Courts, Intellectual Property, Artificial Intelligence, and the Internet hearing on “*Medicines and IP: Balancing Innovation and Access.*” Thank you Chairman Issa and members of the Subcommittee for holding today’s hearing on this topic and all of the work you have done to bring attention to this very important issue.

PBMs are hired by employers, unions, and government programs to drive down prescription drug costs and administer prescription drug plans for more than 289 million Americans. Before getting into specifics on important legislation aimed at fighting big pharma’s patent abuses, here are four things to know about PBMs:

- PBMs are the only part of the drug supply chain whose primary role is to lower prescription drug costs. On average, they save patients and families \$1,154 per person each year.<sup>i</sup>
- PBMs are extremely effective at reducing prescription drug costs for employers and patients, which is why some industries that profit from high drug prices oppose them.
- PBMs work for employers, unions, and government programs who have the ultimate say on what a drug benefit looks like. PBMs carry out the chosen plan by negotiating lower drug prices, processing claims, performing safety checks, and handling related services such as drug adherence programs.
- For the enormous savings and value that PBMs provide, they operate on thin profit margins

PBMs work hard to lower drug prices for millions of Americans, but only pharmaceutical manufacturers can lower their list prices. They use anticompetitive tactics to delay competition in order to keep high priced brand and biologic drugs on the market as long as possible. Despite big pharma’s bogus claims that PBMs favor high-priced drugs, our members support and advocate for lower list prices on all prescription drugs. Our mission is to negotiate lower net costs for employers and clients, which means lower costs for patients.

Congress strengthened PBM accountability through the Consolidated Appropriations Act (CAA) of 2026 which requires the “delinking” of PBM contracts in Medicare to prohibit compensation tied to either drug prices or remuneration such as discounts or rebates.<sup>ii</sup> Furthermore, many PBMs have already “delinked” drug prices in the commercial market.<sup>iii,iv</sup> The argument that PBMs prefer high list prices is simply untrue and it is time to hold big pharma accountable for the prices they set.

This is why legislation such as H.R. 3269, the Eliminating Thickets to Increase Competition (ETHIC) Act and H.R. 6485, the Skinny Labels, Big Savings Act are critical to improving patient affordability. **The most powerful thing policymakers can do is ensure the market is not starved of competition.** When more than one option exists, prices come tumbling down. Manufacturers of expensive brand drugs already enjoy the generous government protections, and they must not be allowed to extend these monopolies through dubious means.

## **Promoting Competition by Addressing Patent Abuse**

Competition from generics and biosimilars is the most effective way to reduce prescription drug prices. However, manufacturers increasingly use schemes like patent thickets, product hopping, and strategic litigation practices to delay more affordable alternatives from entering the marketplace.<sup>v</sup>

Legislation such as the *ETHIC Act*, introduced by Chairman Issa, Congresswoman Jayapal, and Congressman Arrington, would take an important step toward restoring balance by limiting the number of patents that can be asserted in litigation against generic and biosimilar manufacturers. By curbing the ability to overwhelm competitors with large numbers of overlapping and duplicative patents, it would help accelerate market entry of lower-cost alternatives and reduce the ability of manufacturers to extend monopoly pricing through litigation tactics rather than innovation.

These reforms are necessary to ensure that patent protections serve their intended purpose of rewarding innovation without being used to block competition and maintain artificially high prices for patients.

## **Ensuring Access to Lower-Cost Alternatives Through Appropriate Labeling Practices**

In addition to patent-related barriers, regulatory and legal uncertainty around “skinny labeling” has created additional challenges for generic competition. This uncertainty can force patients to continue paying sky-high brand prices while generic manufacturers navigate uncertainty.

Legislation like the *Skinny Labels, Big Savings Act*, introduced by Committee members Cline and Lofgren, would help solve this issue by clarifying that generic manufacturers are not liable for uses that have been lawfully carved out of their FDA-approved labeling for non-patented uses for patented uses carved out of their label. Protecting lawful skinny labeling pathways is also important in supporting competition in the GLP-1 space and preserving the availability of lower-cost therapeutic alternatives for patients and plan sponsors. This approach also reflects existing FDA policy and is essential to preserving the ability of generics to come to market when only certain uses of a drug remain under patent.

Without this clarity, generic manufacturers may delay or avoid entering the market, even where competition is otherwise lawful, reducing the availability of lower-cost alternatives. Clarifying the legal framework governing skinny labels will help ensure that competition can occur as intended under the Hatch-Waxman framework and longstanding FDA approval standards.

## **Conclusion**

PBMs work to leverage competition to negotiate lower prices on behalf of patients and plan sponsors. However, when market entry of generics and biosimilars is delayed or discouraged through manufacturer tactics like patent thickets, litigation strategies, or regulatory uncertainty, patients face higher costs and PBMs have fewer opportunities to generate savings and lower costs.

PCMA supports policies that enhance competition as the most effective mechanism for lowering prescription drug prices. The *ETHIC Act* and *Skinny Labels, Big Savings Act* represent meaningful, bipartisan steps toward addressing barriers that delay or discourage entry of lower-cost alternatives.

PCMA looks forward to working with the subcommittee and Congress to advance these and other reforms that promote competition, improve patient access, and reduce prescription drug costs for millions of Americans.

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<sup>i</sup> Visante. (February 2025). The Return on Investment (ROI) on PBM Services. Available at: <https://www.pcmagnet.org/wp-content/uploads/2025/02/ROI-on-PBM-Services.pdf>

<sup>ii</sup> Public Law 119-75 (H.R. 7148), 119th Congress.

<sup>iii</sup> Casolo E. (May 12, 2026). 'Gone are The Days': Optum Rx to Delink Drug Prices from Fees. Becker's Hospital Review. Available at: <https://www.beckershospitalreview.com/pharmacy/gone-are-the-days-optum-rx-to-delink-drug-prices-from-fees/>.

<sup>iv</sup> Cheng C, Ingram HR, Russel AI, Jandl S. (February 13, 2026). Express Scripts Settles PBM FTC Action and Must Make Fundamental Changes to PBM Model. Goodwin Law. Available at: <https://www.goodwinlaw.com/en/insights/publications/2026/02/alerts-lifesciences-antc-express-scripts-settles-pbm-ftc-action>

<sup>v</sup> Tu SS, Rutschman AS. (November 14, 2025). Mapping Intellectual Property Abuses in the Pharmaceutical Field. JAMA Health Forum. 6(11):e254938. doi:10.1001/jamahealthforum.2025.4938. Available at: <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2841230>.