



Ohio Medical Group Management Association
the state affiliate chapter of MGMA



July 7, 2023

The Honorable JD Vance
United States Senate
288 Russell Senate Office Building
Washington, DC 20510

Dear Senator Vance:

The U.S. Senate now can take meaningful action that will reduce the cost of prescription drugs for seniors and taxpayers. We are encouraging you to join the bipartisan legislation that will help fix a broken system and make medications more affordable for Ohioans.

The Patients Before Middlemen Act would eliminate one of the most egregious flaws in our prescription drug pricing system: the ability of pharmacy benefit managers (PBMs) to favor higher-priced drugs. This will would prohibit this practice by breaking the connection between PBM fees and a drug's price.

Today, PBMs generate greater profits when a drug's price is higher because PBM administrative fees and rebate revenues from drug manufacturers are connected to the drug's list price. Furthermore, because the PBMs also control the formularies that determine which medicines are accessible to patients, the third-party middlemen make less expensive drugs less accessible and steer patients toward more expensive drugs.

Ultimately, this means seniors unnecessarily pay more out-of-pocket for their medications. As you know, *The Columbus Dispatch* was one of the first media outlets to investigate PBMs and expose how they keep the discounts they negotiate from list prices, and PBMs charge a range of service fees to manufacturers, pharmacies, and other entities in the supply chain to maximize their profits instead of passing savings to patients.

The **Patients Before Middlemen Act** would end these perverse incentives by de-linking PBM revenues from drug prices for Medicare Part D beneficiaries. The fees PBMs receive could no longer be connected to the price of a drug or any discounts and rebates. The legislation would also require PBMs to pay back to taxpayers any dollars collected in excess of their legitimate service fees.

This reform is long overdue. Ohioans have, for too long, been disadvantaged by a system that forces them to pay more than they should for the medicines they need, just so already-profitable corporations can make even more money.

We encourage you to cosponsor the Patients Before Middlemen Act. It's time to provide a real solution for seniors and taxpayers in Ohio to reduce prescription drug costs. Thank you for considering this request.

Academy of Medicine of Cleveland and Northern Ohio

American Academy of Pediatrics, Ohio Chapter

American College of Cardiology, Ohio Chapter

Benjamin Rose Institute on Aging

Charitable Healthcare Network

Easters Seals of Central and Southeast Ohio

Epilepsy Alliance Ohio

HIV + Hepatitis Policy Institute

Lupus Foundation of America, Greater Ohio Chapter

Mental Health of America of Ohio

Ohio Association of Rheumatology

Ohio Hematology Oncology Society

Ohio Life Sciences

Ohio Manufacturers' Association

Ohio Medical Group Management Association

Ohio Osteopathic Association

Ohio Pharmacists Association

Ohio State Medical Association

Prevent Blindness Ohio