

May 25, 2022

Lina M. Khan
Chair, Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580



Re: Request for Information on the Business Practices of Pharmacy Benefit Managers and Their Impact on Independent Pharmacies and Consumers

Dear Chairwoman Khan:

National Patient Advocate Foundation (NPAF) is pleased to submit feedback to the Federal Trade Commission's Request for Information about the impact on patients and health care stakeholders of Pharmacy Benefit Manager (PBM) roles in negotiating with drug manufacturers and pharmacies to control drug spending. We appreciate the FTC's leadership in soliciting comments to better understand the benefits and challenges that PBM activities – managing prescription drug benefits on behalf of health insurers, Medicare Part D drug plans, large employers and other payers – present to patients throughout the course of their care.

NPAF advocates for person-centered policies and practices that promote medical, financial and social health and stability as essential aspects of quality care. Our direct patient services counterpart, Patient Advocate Foundation (PAF), has delivered skilled, personalized needs navigation services specifically supporting social and financial well-being for thousands of limited-resourced patients and families over its 25-year history.

PAF services help patients and families understand the details of their insurance benefits and decipher confusing aspects of prescription drug coverage and cost sharing. PAF also works to identify and address individuals' unmet social needs and health system shortfalls that fail to account for the wide range of distressing financial concerns that patients and caregivers often experience and interfere with health equity and outcomes. Worries about making ends meet and affording basic household needs compound challenges in accessing prescription medicines for people coping with complex chronic conditions and are frequent sources of distress and disparities.

PBMs exert disproportionate influence in determining total drug costs for insurers, shaping patients' access to medications, and determining how much pharmacies are paid.¹ Because PBM practices often deploy blunt tools and processes that ultimately restrict patient access in harmful ways, we echo the concerns about PBM impact raised in the broader patient advocacy community comments including:

¹ Health Policy Brief Series: Prescription Drug Pricing #12 [Pharmacy Benefit Managers](#) (*Health Affairs*, Sept. 2017).

1. **Lack of transparency around PBM contracting** which obfuscates how patients' out-of-pocket (OOP) costs are determined and whether rebate savings are being passed down.
2. Whether manufacturer rebates are leading to **PBM preference for branded biologics compared to biosimilars** and contribute to higher cost-sharing for biosimilar products which are intended to be lower-cost alternatives for patients and their clinicians to consider.
3. **Lack of oversight around PBM formulary decisions and utilization management practices** including prior authorization, step therapy, and drug tiering. These practices typically do not involve patient input yet if improperly implemented can result in delayed care and negative clinical outcomes for patients.^{2,3}
4. **PBM influence on size and type of deductibles and co-insurance** which can increase patients' financial liability for prescription drugs.⁴
5. **Pharmacy network limitations** that require patients to use mail order pharmacy or require them to pay more to pick up prescriptions at a pharmacy outside the network that may be more accessible and convenient for them.

Prescribed treatments, medications, diagnostic tests, or other therapies should be the result of *personalized and shared decision-making between patients and their clinicians*. While PBM negotiations may reduce health care costs for insurers or health systems, it is imperative to apply these practices equitably using person-centered approaches that improve care quality rather than impede it.

Needs navigation services, detailed in [this NPAF issue brief](#), mitigate harms from potentially over-reaching PBM practices by providing practical guidance for patients in securing suitable coverage and finding appropriate safety net supports and other resources specifically addressing patient and family needs. This personalized approach helps people find their way through the health system's inherent complexities by 1) explaining formularies, cost-sharing and benefit design, 2) assisting in filing appeals for coverage denials, and 3) engaging with PBM and insurance plan representatives to support effective patient advocacy that drives improved access and outcomes.

While financial and social needs navigation helps patients make the best use of their insurance benefits and access prescribed treatments, these services alone cannot overcome every access and affordability barrier for every patient. **We urge consideration of system-wide transparency and greater oversight of PBM practices to ensure they promote equitable access to affordable, quality care for all.**

NPAF appreciates the FTC's focus on understanding PBM business practices that directly influence access and affordability for millions of patients nationwide. Providing needs navigation services directly to patients and caregivers is a hallmark of PAF's two and a half decades of organizational experience, expertise, and history that we are working to standardize and scale to benefit all populations of patients with unmet social needs. We welcome the opportunity to meet with agency staff to discuss in more

² Popatia S et al. Examining the prior authorization process, patient outcomes, and the impact of a pharmacy intervention: A single-center review. *J AM ACAD DERMATOL*. Dec 2019; 81(6):1308-1318.

³ Park Y et al. The Effect of Formulary Restrictions on Patient and Payer Outcomes: A Systematic Literature Review. *J Manag Care Spec Pharm*. 2017;23(8):893-901.

⁴ Avalere Health, Analysis of Formulary Tiers in FFE Plans Compared to State Exchanges with Standardized Plans, October 2020.

detail. Please contact Nicole Braccio, PharmD, at Nicole.Braccio@npaf.org or 202-301-9552 if you have questions or input about our comments.

Respectfully submitted,

A handwritten signature in black ink that reads "Rebecca A. Kirch". The signature is written in a cursive style with a large initial "R".

Rebecca A. Kirch
EVP Policy and Programs