

Senator Alex Padilla  
United States Senate  
112 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Padilla,

On behalf of the undersigned organizations, we respectfully request that you hold pharmacy benefit managers (PBMs) accountable for the role they play in driving up costs for patients, instead of supporting the Strengthening Medicare and Reducing Taxpayers (SMART) Prices Act (S.1246). The proposed policies within the SMART Prices Act could significantly reduce access to innovative treatments and cures for patients with chronic conditions or rare diseases who too often just want more time with family and friends or relief from pain.

By repealing the Medicare Part D non-interference clause, the SMART Prices Act contains serious risks, such as increased costs for patients, limits to the variety of medication options available, and the stalling of future projects in crucial disease areas such as cardiovascular, mental health, neurology, infectious disease, cancers, and rare diseases. The potential establishment of a national formulary and a one-size-fits-all approach to treatment options is a nightmare for certain patients and providers who rely on the ability to access multiple treatment options to find what works best for their needs. With health insurance companies and their pharmacy middlemen doing everything they can to block timely access to care by using prior authorization, step therapy, and other patient-last policies, it is imperative for you and your fellow Senators to listen to patients and the real consequences policies like these will have on our health and quality of life.

Rather than removing the safeguards that currently protect access to a wide range of medicines in Part D, we urge you to look into pharmacy middlemen and their outsized role in the supply chain. They do nothing to lower the cost of prescriptions, instead they line their pockets and limit patient choice by preferring higher cost medications that yield larger rebates over lower-priced generics and biosimilars. Or, they leave lower-priced generics and biosimilars off formularies altogether, systematically undermining the patient-physician relationship and driving costs increasingly out of reach. A 2020 white paper from the University of Southern California outlined this, stating that rebates play a significant role in rising list prices, and reducing or eliminating rebates could result in lower list prices and reduced out-of-pocket costs for patients.<sup>1</sup>

When considering legislation to lower costs for patients, Congress must recognize how PBMs have continued to circumvent any attempt of reasonable oversight. We need transformative and meaningful action that will hold these pharmacy middlemen accountable. We therefore ask that you champion legislation that includes the following considerations:

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<sup>1</sup> USC Leonard D. Schaeffer Center for Health Policy & Economics: [The Association Between Drug Rebates and List Prices](#). February 11, 2020.

- Reform the industry to ensure PBMs are not collecting revenues based upon higher cost medications by requiring all negotiated rebates and discounts be passed through to patients.
- Improve transparency by shining a light into PBM's business practices, including the administrative and non-administrative fees, rebates, and reimbursements.
- Protect patients' ability to access pharmacies of their choice by preventing PBMs from driving patients to their self-owned pharmacy operations.

Thank you for your time and attention to this critical issue. We look forward to working with you to enact patient-first policies that truly improve quality of life and reduce costs – working families and all Americans are waiting.

Sincerely,




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Chairperson,  
Patient Advocates United in San Diego County



Rolf Benirschke  
Founder,  
Grateful Patient Project



Debbie Brown  
Executive Director,  
International Bipolar Foundation



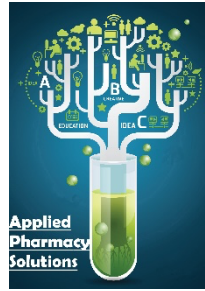
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