THE PROBLEM:

Americans insured by Medicare and private insurance pay too much for their drugs.

Example:
- One patient who had a heart attack overpays $29 per month and $348 per year for three generic, life-saving medications.
- For the 790,000 Americans who have a heart attack every year this results in overpayment of: $274 million per year

Why are prescription drugs so expensive?
- Payment systems are complex. Federal laws make it easier for drug manufacturers and pharmacy benefit managers (PBMs) to make a profit at the expense of our patients and your constituents.
- PBMs: Third-party administrators of prescription drug programs for insurance plans. They act as intermediaries among drug manufacturers, pharmacies, insurance plans, and patients.
- Gag clause: Forbids pharmacists from telling patients that a medication could be cheaper if they pay without going through their health insurance.
- Post-sale adjustment: After the patient buys a drug, the PBM negotiates discounts to lower the amount it reimburses for the drug. The PBM gets money back, but the patient does not.

THE SOLUTIONS:

1. Forbid pharmacy gag clauses: 4 states (NC, CT, ND, AR) have already passed laws to do so. Please support these bills:
   - Prescription Transparency Act of 2018 (HR.5343)
   - Know the Lowest Price Act (S.2553)
   - Patient Right to Know Drug Prices Act (S.2554)

2. Increase price transparency: When drug manufacturers, PBMs, and pharmacies negotiate the price of drugs, especially after the point of sale, any savings should be public and patients should benefit from them as well.

3. The Social Security Act does not allow Medicare to negotiate drug prices. Amend this Act so that your constituents can benefit from negotiated drug prices, similar to veterans who get their care at VA.