



Myths versus Facts about H.R. 1204

Myth: H.R. 1204 is intended to allow certain community pharmacists to get better prices for prescription drugs for their customers.

Facts: Current laws already include mechanisms for pharmacies to negotiate with payers for reimbursement. Independent pharmacies can already use Pharmacy Service Administrative Organizations (PSAOs) to experience better economies of scale and relieve administrative burdens. Additionally, antitrust laws don't prohibit collaboration **that enhances quality or efficiency of care to patients. The ultimate effect of this bill is to get more money for the pharmacy. There is no provision in H.R. 1204 that would reduce prices for consumers.**

If this legislation were signed into law, community pharmacists could use the antitrust exemption to modify contract terms that could endanger patient access and pharmacy benefits while providing little to decrease drug prices. Leaving antitrust laws intact is a certain way to protect the rights of consumers.

Myth: Small pharmacies have no leverage when negotiating contracts and are only offered take-it or leave-it contracts.

Fact: Small pharmacies have considerable leverage in negotiating with PBM's. Under current Medicare Part D access standards, PBMs are required to include independent pharmacies, specifically those in rural and underserved areas, and must negotiate with them accordingly.

Myth: H.R. 1204 requires NO government funding.

Facts: The Congressional Budget Office (CBO) estimates costs of \$640 million in 2009-2018.

In analyzing H.R. 1204, CBO considered:

- lost federal tax revenues
- increased direct health spending for Medicare Part D and Medicaid
- additional increases in Federal Employee Health Benefits costs

Charles River Associates conducted additional analyses that considered total market dynamics and found that over five years the direct cost to all payers would increase by \$29.6 billion, including a \$6.4 billion increase to Medicare Part D.

Myth: Pharmacy Benefit Managers (PBMs) engage in unfair billing practices and are driving the costs of prescription medicines higher for consumers. H.R. 1204 would help to drive these costs down significantly.

Facts: The Federal Trade Commission (FTC) consistently finds that PBMs, including mail order pharmacies, advance the very kind of competition that saves money for the health care system and consumers. As the FTC stated in recent Congressional Testimony, "Although the Commission is sympathetic to the difficulties independent and family pharmacies face, the exemption threatens to raise prices to consumers."