

PBM Disclosure Mandates Would Increase Costs in Alabama

Alabama policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Alabama.

Alabama Impact:

- **If Alabama implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$740 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.3 million beneficiaries in Alabama.²**
- **As PBM disclosure mandates increased costs, the ability of Alabama employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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Alaska Impact:

- **If Alaska implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$93 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 161,000 beneficiaries in Alaska.²**
- **As PBM disclosure mandates increased costs, the ability of Alaska employers to offer health insurance—and jobs—would be diminished.**

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Arizona Impact:

- **If Arizona implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$795 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.4 million beneficiaries in Arizona.²**
- **As PBM disclosure mandates increased costs, the ability of Arizona employers to offer health insurance—and jobs—would be diminished.**

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Arkansas policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Arkansas.

Arkansas Impact:

- **If Arkansas implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$448 million in the state over the next ten years.**¹
- **A PBM disclosure mandate would impact employers and health plans that now cover some 773,000 beneficiaries in Arkansas.**²
- **As PBM disclosure mandates increased costs, the ability of Arkansas employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in California

California policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for California.

California Impact:

- **If California implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$7.6 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 13 million beneficiaries in California.²**
- **As PBM disclosure mandates increased costs, the ability of California employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in Colorado

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Colorado Impact:

- **If Colorado implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$809 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.4 million beneficiaries in Colorado.²**
- **As PBM disclosure mandates increased costs, the ability of Colorado employers to offer health insurance—and jobs—would be diminished.**

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Connecticut policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Connecticut.

Connecticut Impact:

- **If Connecticut implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$579 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1 million beneficiaries in Connecticut.²**
- **As PBM disclosure mandates increased costs, the ability of Connecticut employers to offer health insurance—and jobs—would be diminished.**

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Delaware Impact:

- **If Delaware implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$138 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 239,000 beneficiaries in Delaware.²**
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PBM Disclosure Mandates Would Increase Costs in District of Columbia

District of Columbia policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for District of Columbia.

District of Columbia Impact:

- **If District of Columbia implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$127 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 218,000 beneficiaries in District of Columbia.²**
- **As PBM disclosure mandates increased costs, the ability of District of Columbia employers to offer health insurance—and jobs—would be diminished.**

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Florida Impact:

- **If Florida implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$3.3 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 5.7 million beneficiaries in Florida.²**
- **As PBM disclosure mandates increased costs, the ability of Florida employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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PBM Disclosure Mandates Would Increase Costs in Georgia

Georgia policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Georgia.

Georgia Impact:

- **If Georgia implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.6 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.8 million beneficiaries in Georgia.²**
- **As PBM disclosure mandates increased costs, the ability of Georgia employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Hawaii

Hawaii policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Hawaii.

Hawaii Impact:

- **If Hawaii implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$332 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 573,000 beneficiaries in Hawaii.²**
- **As PBM disclosure mandates increased costs, the ability of Hawaii employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Idaho

Idaho policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Idaho.

Idaho Impact:

- **If Idaho implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$257 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 444,000 beneficiaries in Idaho.²**
- **As PBM disclosure mandates increased costs, the ability of Idaho employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Illinois

Illinois policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Illinois.

Illinois Impact:

- **If Illinois implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.9 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 3.2 million beneficiaries in Illinois.²**
- **As PBM disclosure mandates increased costs, the ability of Illinois employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Indiana

Indiana policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Indiana.

Indiana Impact:

- **If Indiana implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$915 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.6 million beneficiaries in Indiana.²**
- **As PBM disclosure mandates increased costs, the ability of Indiana employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Iowa

Iowa policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Iowa.

Iowa Impact:

- **If Iowa implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$484 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 835,000 beneficiaries in Iowa.²**
- **As PBM disclosure mandates increased costs, the ability of Iowa employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Kansas

Kansas policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Kansas.

Kansas Impact:

- **If Kansas implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$477 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 824,000 beneficiaries in Kansas.²**
- **As PBM disclosure mandates increased costs, the ability of Kansas employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Kentucky

Kentucky policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Kentucky.

Kentucky Impact:

- **If Kentucky implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$675 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.2 million beneficiaries in Kentucky.²**
- **As PBM disclosure mandates increased costs, the ability of Kentucky employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in Louisiana

Louisiana policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Louisiana.

Louisiana Impact:

- **If Louisiana implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$669 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.2 million beneficiaries in Louisiana.²**
- **As PBM disclosure mandates increased costs, the ability of Louisiana employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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PBM Disclosure Mandates Would Increase Costs in Maine

Maine policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Maine.

Maine Impact:

- **If Maine implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$228 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 394,000 beneficiaries in Maine.²**
- **As PBM disclosure mandates increased costs, the ability of Maine employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Maryland

Maryland policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Maryland.

Maryland Impact:

- **If Maryland implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.1 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.9 million beneficiaries in Maryland.²**
- **As PBM disclosure mandates increased costs, the ability of Maryland employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Massachusetts

Massachusetts policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Massachusetts.

Massachusetts Impact:

- **If Massachusetts implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.3 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.3 million beneficiaries in Massachusetts.²**
- **As PBM disclosure mandates increased costs, the ability of Massachusetts employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Michigan

Michigan policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Michigan.

Michigan Impact:

- **If Michigan implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.6 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.8 million beneficiaries in Michigan.²**
- **As PBM disclosure mandates increased costs, the ability of Michigan employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Minnesota

Minnesota policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Minnesota.

Minnesota Impact:

- **If Minnesota implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$907 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.6 million beneficiaries in Minnesota.²**
- **As PBM disclosure mandates increased costs, the ability of Minnesota employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in Mississippi

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Mississippi Impact:

- **If Mississippi implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$420 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 724,000 beneficiaries in Mississippi.²**
- **As PBM disclosure mandates increased costs, the ability of Mississippi employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Missouri

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Missouri Impact:

- **If Missouri implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$900 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.6 million beneficiaries in Missouri.²**
- **As PBM disclosure mandates increased costs, the ability of Missouri employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in Montana

Montana policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Montana.

Montana Impact:

- **If Montana implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$137 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 236,000 beneficiaries in Montana.²**
- **As PBM disclosure mandates increased costs, the ability of Montana employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in Nebraska

Nebraska policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Nebraska.

Nebraska Impact:

- **If Nebraska implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$369 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 637,000 beneficiaries in Nebraska.²**
- **As PBM disclosure mandates increased costs, the ability of Nebraska employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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PBM Disclosure Mandates Would Increase Costs in Nevada

Nevada policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Nevada.

Nevada Impact:

- **If Nevada implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$563 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 973,000 beneficiaries in Nevada.²**
- **As PBM disclosure mandates increased costs, the ability of Nevada employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in New Hampshire

New Hampshire policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for New Hampshire.

New Hampshire Impact:

- **If New Hampshire implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$227 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 392,000 beneficiaries in New Hampshire.²**
- **As PBM disclosure mandates increased costs, the ability of New Hampshire employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in New Jersey

New Jersey policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for New Jersey.

New Jersey Impact:

- **If New Jersey implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.6 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.7 million beneficiaries in New Jersey.²**
- **As PBM disclosure mandates increased costs, the ability of New Jersey employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in New Mexico

New Mexico policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for New Mexico.

New Mexico Impact:

- **If New Mexico implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$238 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 411,000 beneficiaries in New Mexico.²**
- **As PBM disclosure mandates increased costs, the ability of New Mexico employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in New York

New York policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for New York.

New York Impact:

- **If New York implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$3 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 5.2 million beneficiaries in New York.²**
- **As PBM disclosure mandates increased costs, the ability of New York employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in North Carolina

North Carolina policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for North Carolina.

North Carolina Impact:

- **If North Carolina implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.3 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.3 million beneficiaries in North Carolina.²**
- **As PBM disclosure mandates increased costs, the ability of North Carolina employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in North Dakota

North Dakota policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for North Dakota.

North Dakota Impact:

- **If North Dakota implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$136 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 235,000 beneficiaries in North Dakota.²**
- **As PBM disclosure mandates increased costs, the ability of North Dakota employers to offer health insurance—and jobs—would be diminished.**

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PBM Disclosure Mandates Would Increase Costs in Ohio

Ohio policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Ohio.

Ohio Impact:

- **If Ohio implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.8 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 3 million beneficiaries in Ohio.²**
- **As PBM disclosure mandates increased costs, the ability of Ohio employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Oklahoma

Oklahoma policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Oklahoma.

Oklahoma Impact:

- **If Oklahoma implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$558 million in the state over the next ten years.**¹
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1 million beneficiaries in Oklahoma.**²
- **As PBM disclosure mandates increased costs, the ability of Oklahoma employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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PBM Disclosure Mandates Would Increase Costs in Oregon

Oregon policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Oregon.

Oregon Impact:

- **If Oregon implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$737 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.3 million beneficiaries in Oregon.²**
- **As PBM disclosure mandates increased costs, the ability of Oregon employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

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PBM Disclosure Mandates Would Increase Costs in Pennsylvania

Pennsylvania policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Pennsylvania.

Pennsylvania Impact:

- **If Pennsylvania implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.7 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 3 million beneficiaries in Pennsylvania.²**
- **As PBM disclosure mandates increased costs, the ability of Pennsylvania employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

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Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

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PBM Disclosure Mandates Would Increase Costs in Rhode Island

Rhode Island policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Rhode Island.

Rhode Island Impact:

- **If Rhode Island implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$196 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 338,000 beneficiaries in Rhode Island.²**
- **As PBM disclosure mandates increased costs, the ability of Rhode Island employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in South Carolina

South Carolina policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for South Carolina.

South Carolina Impact:

- **If South Carolina implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$676 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.2 million beneficiaries in South Carolina.²**
- **As PBM disclosure mandates increased costs, the ability of South Carolina employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

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PBM Disclosure Mandates Would Increase Costs in South Dakota

South Dakota policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for South Dakota.

South Dakota Impact:

- **If South Dakota implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$154 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 265,000 beneficiaries in South Dakota.²**
- **As PBM disclosure mandates increased costs, the ability of South Dakota employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Tennessee

Tennessee policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Tennessee.

Tennessee Impact:

- **If Tennessee implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1 billion in the state over the next ten years.**¹
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.6 million beneficiaries in Tennessee.**²
- **As PBM disclosure mandates increased costs, the ability of Tennessee employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Texas

Texas policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Texas.

Texas Impact:

- **If Texas implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$4.1 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 7.1 million beneficiaries in Texas.²**
- **As PBM disclosure mandates increased costs, the ability of Texas employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Utah

Utah policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Utah.

Utah Impact:

- **If Utah implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$634 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.1 million beneficiaries in Utah.²**
- **As PBM disclosure mandates increased costs, the ability of Utah employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Vermont

Vermont policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Vermont.

Vermont Impact:

- **If Vermont implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$78 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 134,000 beneficiaries in Vermont.²**
- **As PBM disclosure mandates increased costs, the ability of Vermont employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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² Ibid.

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PBM Disclosure Mandates Would Increase Costs in Virginia

Virginia policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Virginia.

Virginia Impact:

- **If Virginia implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.6 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.7 million beneficiaries in Virginia.²**
- **As PBM disclosure mandates increased costs, the ability of Virginia employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

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Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

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PBM Disclosure Mandates Would Increase Costs in Washington

Washington policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Washington.

Washington Impact:

- **If Washington implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$1.3 billion in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 2.2 million beneficiaries in Washington.²**
- **As PBM disclosure mandates increased costs, the ability of Washington employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

Confidential Plan-Sponsor RFP Process Drives Competition Among PBMs: Confidentiality of contract terms is also vital to encourage competition among PBMs as they bid to win contracts with their clients (plan sponsors) through the request for proposals (RFP) process.

Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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PBM Disclosure Mandates Would Increase Costs in West Virginia

West Virginia policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for West Virginia.

West Virginia Impact:

- **If West Virginia implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$184 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 318,000 beneficiaries in West Virginia.²**
- **As PBM disclosure mandates increased costs, the ability of West Virginia employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

FTC Says Disclosure Mandates Could Lead to Tacit Collusion: The FTC has warned that “whenever competitors know the actual prices charged by other firms, tacit collusion—and thus higher prices—may be more likely.”⁵ FTC concluded that PBM disclosure mandates could “undermine the ability of some consumers to obtain the pharmaceuticals and health insurance they need at a price they can afford.”⁶

Compare PBM Negotiations to Sealed-Bid Auctions: In the current marketplace, contract negotiations between PBMs, manufacturers, and pharmacies are like sealed-bid auctions: manufacturers and pharmacies are encouraged to offer aggressive price concessions since they don’t know what’s being offered by their competitors.

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Plan Sponsors Can Negotiate Full Pass-Through of Manufacturer Rebates: Today, about 49% of PBM-client contracts in the commercial sector are negotiated to include full pass-through of manufacturer rebates to the plan sponsor.⁷ Other clients elect to have PBMs retain a portion of the rebates to lower administrative fees.

“With no indication that clients of PBMs lack accurate information on the price and quality of the service that they intend to purchase, it is unclear how requiring PBMs to reveal information related to rebates received from pharmaceutical companies would improve market outcomes,” according to the FTC.⁸

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PBM Disclosure Mandates Would Increase Costs in Wisconsin

Wisconsin policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Wisconsin.

Wisconsin Impact:

- **If Wisconsin implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$907 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 1.6 million beneficiaries in Wisconsin.²**
- **As PBM disclosure mandates increased costs, the ability of Wisconsin employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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PBM Disclosure Mandates Would Increase Costs in Wyoming

Wyoming policymakers should carefully weigh the potential unintended cost impact of any state mandate to require pharmacy benefit managers (PBMs) divulge the contractual price concessions they have negotiated with drug manufacturers and pharmacies. Government agencies—including the Congressional Budget Office (CBO) and the Federal Trade Commission (FTC)—have long cautioned that PBM disclosure mandates could raise costs. And estimates from Visante specifically quantify these potential costs for Wyoming.

Wyoming Impact:

- **If Wyoming implements a PBM disclosure mandate, projected drug costs for fully insured employers and commercial health plans would increase by \$79 million in the state over the next ten years.¹**
- **A PBM disclosure mandate would impact employers and health plans that now cover some 137,000 beneficiaries in Wyoming.²**
- **As PBM disclosure mandates increased costs, the ability of Wyoming employers to offer health insurance—and jobs—would be diminished.**

CBO Says Disclosure Mandates Could “Compress” Rebates and Discounts: CBO has noted that disclosure requirements could allow firms to “observe the prices charged by their rivals, which could lead to reduced competition.”³ According to CBO, the “disclosure of rebate data would probably cause the variation in rebates among purchasers to decline” leading to a “compression in rebates.”⁴

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