

# PRESCRIPTION DRUG PRICES, PBMs, AND PHARMACIES IN OHIO

**PBMs are advocates for consumers in the fight against high list prices**

PBMs will save  
**\$24.72B**  
 across all Ohio health programs over ten years.<sup>1</sup>

ODM reports  
**\$145M**  
 in annual savings due to PBM services.<sup>2</sup>

PBMs saved  
**\$656.5M**  
 5 year period (2011–2016) in Ohio Medicaid.<sup>3</sup>

**SAVINGS ARE REALIZED THROUGH:**

- ✓ Encouraging the use of generic and lower cost brand drugs
- ✓ Reducing waste and increasing adherence
- ✓ Negotiating price concessions with drug manufacturers
- ✓ Creating networks of affordable, high quality pharmacies
- ✓ Providing clinical support to patients taking specialty medications



**Drug makers alone set the price of drugs**

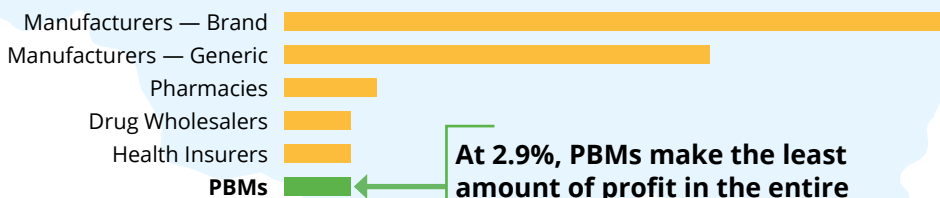
Although PBMs negotiate with drugmakers to bring down the net cost of Rx drugs, manufacturers are ultimately responsible for setting the list prices of their products. **PBMs drive prices down by forcing manufacturers to compete with one another.**



**PBMs keep none of the rebates collected for Ohio Medicaid**

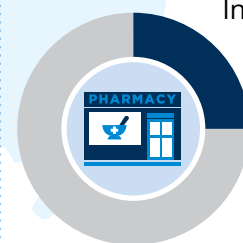
**PBMs pass through to clients the significant majority of rebate dollars (90%) in commercial health programs.**

**PBM profit margins are the smallest in the pharmaceutical supply chain<sup>4</sup>**



**At 2.9%, PBMs make the least amount of profit in the entire pharmaceutical supply chain.**

**1 in 4 pharmacies in Ohio is an independent pharmacy<sup>5</sup>**



Independent pharmacies say they're getting squeezed out of business, but NCPA states the number nationally has been "holding pretty steady" for several years.<sup>6</sup> In Ohio, between 2010 and 2019, the number grew from 515 to 527.<sup>7</sup>

1 Visante, PBMs: Generating Savings for Plan Sponsors, Feb. 2016.  
 2 Ohio Department of Medicaid, Ohio Medicaid Pharmacy Benefit Manager Performance Review, June 21, 2018.  
 3 United Health Group, Pharmacy Benefit Management Can Save Medicaid Drug Programs Over \$100B, available at www.unitedhealthgroup.com  
 4 The Flow of Money Through the Pharmaceutical Distribution System, Schaeffer Center for Health Policy & Economics, USC, June 2017, available at healthpolicy.usc.edu.  
 5,7 Independent Pharmacy Market: Quest Analytics analysis of NCPDP dataQ data, 2019.  
 6 Independent Pharmacies Fight to Survive in Colorado Springs, Gazette, Dec. 1, 2018.