

# PRESCRIPTION DRUG PRICES, PBMs, AND PHARMACIES IN WISCONSIN

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

PBMs will save  
**\$21.8B**  
 across all Wisconsin health programs over ten years.<sup>1</sup>

PBMs will save  
**\$5.33B**  
 via mail-service and specialty pharmacies (2015–2024).<sup>2</sup>

## SAVINGS ARE REALIZED THROUGH:

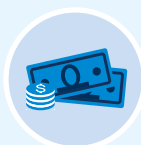
✓  
 Encouraging the use of generic and lower cost brand drugs

✓  
 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.**



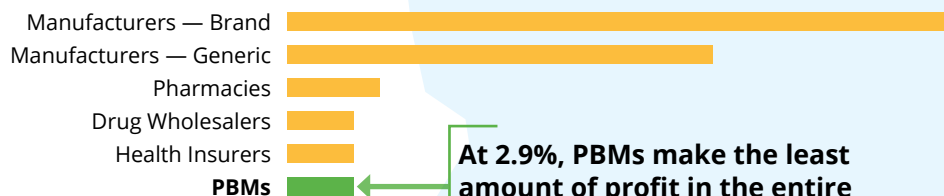
### PBMs keep none of the rebates collected for Wisconsin Medicaid

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



### 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>4</sup>

## PBM profit margins are the smallest in the pharmaceutical supply chain<sup>2</sup>



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

1 Visante, PBMs: Generating Savings for Plan Sponsors, Feb. 2016.

2 Visante, Mail-Service and Specialty Pharmacies to Save More than \$300 Billion Over 10 Years, 2014.

3 The Flow of Money Through the Pharmaceutical Distribution System, Schaeffer Center for Health Policy & Economics, USC, June 2017, available at healthpolicy.usc.edu.

4 Independent Pharmacies Fight to Survive in Colorado Springs, Gazette, Dec. 1, 2018.