

POLITICO

PBMs SUE OVER REBATE RULE — Prescription drug middlemen have challenged a signature [Trump administration rule to eliminate rebates](#) and are also seeking federal court assurance that the manufacturer discounts are protected by law.

The rule is a blow to PBMs and health plans, as PBMs leverage these rebates to pick their preferred drugs for their customers. The Pharmaceutical Care Management Association representing pharmacy benefit managers, or PBMs, [filed the claim in the U.S. District Court for the District of Columbia](#), contending the Trump administration violated both existing laws and valid procedure when officials finalized the regulation they had previously withdrawn.

Pharma companies and other critics have blamed PBM rebates for raising the cost of medicines. The rule was a longtime priority for HHS Secretary Alex Azar, who rejected the assertion by PBMs and health insurers that such a policy would hike seniors' premiums — an argument backed by health agency actuaries. Two government watchdog agencies have also said that rebates help control spending.

Major insurers like America's Health Insurance Plans and the Blue Cross Blue Shield Association issued statements today supporting PCMA in the lawsuit, as they've been aligned in opposing the regulation and the top insurers all have an in-house PBM following years of mergers. The AARP has also criticized the policy.