



What's Happening in West Virginia: What Do Increased Dispensing Fees Buy?



Spending on prescription drugs continues to increase annually as drug prices continue to rise. While we hope that more spending buys better health outcomes, that isn't always the case. Asking patients and employers to pay more money for the same prescription drugs threatens access and affordability.

West Virginia is one of the smaller states, with a **population of 1,713,600.**¹

Despite lowering its uninsured rate from 13.5% in 2013 to only 5.9% in 2023,² **West Virginia may have the poorest health outcomes³ in the country.**

Per capita, **West Virginia led the nation in deaths** caused by drug overdoses, diabetes, and kidney disease and ranked third in deaths caused by cancer.⁴



Along with poor health care outcomes, 36.2% of West Virginia residents are below the federal poverty level.⁵ High health care costs can make it hard for residents to afford needed care.

West Virginia ranked **sixth highest in health care spending** per capita in 2020.⁶

In 2020, West Virginia **spent \$898 million⁷ on retail prescription drugs** in the commercial market.

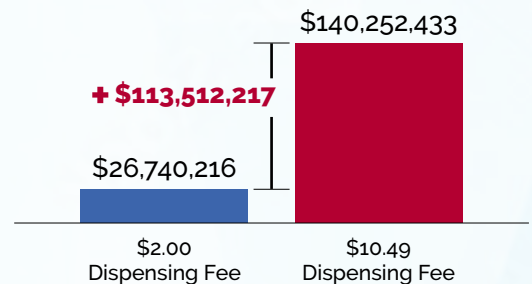
West Virginia employees pay, on average, **\$1,753 annually in health insurance premiums** compared to the national average of \$1,640.⁸



Many West Virginians depend on medications, so a state law that adds additional costs makes drugs less affordable and creates access issues for patients.

In 2022, West Virginia began requiring pharmacy benefit managers (PBMs), who work on behalf of plan sponsors, to **reimburse pharmacies using the National Average Drug Acquisition Cost survey plus a \$10.49 dispensing fee.**⁹ Using prescription drug data from one PBM's experience in West Virginia and applying that to all commercial market prescriptions filled in the state, **this law could have increased West Virginia drug spending by over \$113 million (\$140 per commercially insured person) in just one year.**¹⁰ That's a 13% increase in commercial retail drug spending. **The burden of these increased costs will fall on patients and employers while going straight to pharmacists' bottom line.**

Estimated Increased Drug Spend in West Virginia Due to Mandated Dispensing Fee in 2022



1 KFF. "Total Number of Residents." 2023.

2 KFF. "Health Insurance Coverage of the Total Population." 2023.

3 MoneyGeek. "The Best and Worst States for Health Care." 2024.

4 CDC. "Stats of the States." 2022.

5 KFF. "Distribution of the Total Population by Federal Poverty Level (above and below 200% FPL)." 2023.

6 USA Facts. "Health in West Virginia." 2023.

7 PCMA acquired IQVIA data. The statements, findings, conclusions, views, and opinions contained and expressed in this report are based in part on data obtained under license from the following IQVIA Institute information service: IQVIA PayerTrak data for PCMA, 2022, IQVIA Inc. All Rights Reserved.

8 KFF. "Average Annual Single Premium per Enrolled Employee For Employer-Based Health Insurance." 2023.

9 West Virginia Code 33-51-9.

10 PCMA. "Dispensing Fee Mandates Increase Prescription Drug Spending." 2025.

ABOUT PCMA

PCMA is the national association representing America's pharmacy benefit companies. Pharmacy benefit companies are working every day to secure savings, enable better health outcomes, and support access to quality prescription drug coverage for more than 275 million patients. Learn more at www.pcmanet.org.

