

# **ENFORCE** Pharmacy Benefit Manager (PBM) Reform

## What is a PBM?

- Middleman in the medication supply chain, originally formed to facilitate transactions between pharmacies, health plans and other involved parties
- Three companies now cover roughly 80% of the market, or more than 238 million lives, with annual revenues often approaching \$100 billion.
- Known for opaque and abusive business practices<sup>1</sup>
- PBM activities affect pharmacists AND patients by limiting access and increasing the price of prescription drugs.

- IPA's PBM legislation—HF 2384/SF 2092—unanimously passed both chambers last session.
- Bill placed enforcement authority with the Iowa Insurance Division (IID)
- IID Adopted Emergency Rules to implement the bill, effective January 1, 2023.
- IID released a second set of rules through the normal rulemaking process.

## A Time for Enforcement

## The Rules

- IID has been unable to meaningfully investigate PBM practices or collect PBM complaint data for half a decade.
- Emergency rules allow IID to investigate PBM complaints for enforcement.
- These rules provide the public a standardized view into PBM activities for the first time in years.

**Addressing PBM abuses remains a priority for IPA.  
Ensuring enforcement of the 2022 bill is the next step.**

**QUESTIONS?** Contact Seth Brown at [sbrown@iarx.org](mailto:sbrown@iarx.org) or 515-270-0713.