



VIA ELECTRONIC SUBMISSION

May 25, 2022

The Honorable Lina M. Khan
Chair
Federal Trade Commission
600 Pennsylvania Ave NW
Washington, DC 20580

RE: FTC-2022-0015-0001

Solicitation for Public Comments on the Business Practices of Pharmacy Benefit Managers and their Impact on Independent Pharmacies and Consumers

Dear Chair Khan:

The Diabetes Leadership Council (DLC) appreciates this opportunity to respond to the Federal Trade Commission (FTC) request for public comment on the business practices of pharmacy benefit managers (PBMs) and their impact on independent pharmacies and consumers. DLC cosigned comment letters with more than 100 national advocacy organizations representing Americans with chronic conditions. We refer the FTC to those submissions for further detail. We submit these additional comments to underscore the common denominators in the deluge of submissions from patients, providers and policymakers supporting a 6b study of PBM practices.

To borrow a phrase from the Community Oncology Alliance, PBMs have evolved from pharmacy claim administrators into "[arsonist and firefighter in one](#)" at the center of the nation's opaque and complex system of prescription drug pricing and coverage. The effect on more than 8 million Americans who require insulin to manage their diabetes can be distilled into five numbers:

289 – 334 – 83 – 145 – 59

These aren't locker codes or lottery numbers. They represent what a person with diabetes might pay for the same vial of insulin. These figures represent actual claims and online research conducted today.

\$ 289	List price set by the manufacturer
\$ 334	Retail price stated by the PBM
\$ 83	Net cost to a patient in a health plan with "full rebate pass through"
\$ 145	Manufacturer list price for an authorized generic version of the same insulin
\$ 59	Net cost to consumers using a widely available pharmacy discount code to purchase the authorized generic with cash instead of insurance coverage

Pharmacy benefit managers are the only entities in the supply chain that know the vial's true net cost. The arsonist fans the flames, driving list and retail drug prices sky high. Then the firefighter trumpets how much money they saved their health plan and payer customers. Millions of American consumers are stuck paying an unconscionable \$300 upcharge on insulin they or their child need to survive – paying \$334 instead of \$59, or perhaps less if the marketplace was truly transparent and competitive.



Now multiply that \$300 times the number of vials needed annually, along with other medications that are similarly marked up to a degree known only by the system middleman. The same middleman that controls which medicines patients are prescribed, which pharmacy will fill the prescriptions, and patients' out-of-pocket share of the cost. That isn't competition. That is backdoor underwriting of people with diabetes and other serious chronic health conditions and it has largely gone unchecked as the marketplace has vertically integrated.

This is the direct impact of PBM practices on American consumers. More than 550 diabetes advocates signed the Diabetes Patient Advocacy Coalition-led petition in response to the FTC's public comment solicitation. We use insulin and diabetes as illustrative examples, but the impact is broader and deeper. Just look to comments submitted by patient communities fighting for affordable prescriptions to treat arthritis, asthma, cancer, multiple sclerosis or other chronic conditions affecting 3 out of 5 Americans.

We strongly urge the FTC, as the nation's protector of consumers and competition, to bring much needed transparency and accountability to the PBM industry so the nation can begin to repair the most dysfunctional segment of our health care system.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Stewart Perry".

R. Stewart Perry
Board Chair

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The Diabetes Leadership Council (DLC) is a 501(c)(3) patient advocacy organization comprised of individuals who combine their passion for advocacy with decades of diabetes experience and leadership to advance patients-first policies at the local, state and national levels. We are people with diabetes, parents of children with diabetes, allies and tireless volunteers dedicated to improving the lives of all people impacted by this condition. Our members – all former leaders of national diabetes organizations – engage policymakers, and public and private sector influencers to call attention to the diabetes epidemic and provide a voice for 37 million Americans living with diabetes.