



## AMERICANS *for* TAX REFORM

December 1, 2011

The Honorable Herb Kohl  
Chairman, Subcommittee on Antitrust, Competition Policy and Consumer Rights  
U.S. Senate Committee on the Judiciary  
224 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Kohl,

I write to encourage you and your committee members to consider free-market solutions to the rising costs of health care. In particular, the ballooning cost of pharmaceuticals is a problem that can only be addressed through an open and competitive marketplace. Pharmacy benefit managers (PBMs) play a critical role in lowering prescription drug costs by reviewing and managing medications covered under health care plans. Any government intervention intended to impede growth and evolution in this industry would undoubtedly compromise efficiency and taxpayer savings in the health care system.

PBMs play a critical role in lowering prescription drug costs by reviewing and managing the medications covered under health care plans. This incentivizes manufacturers to provide the best product for the best price to compete for placement in a plan. In effect, PBMs address the preeminent concerns facing the health care system today—safety and cost-effectiveness—without compromising either.

PBMs work to understand and address problems that cost the health care industry billions, such as patient compliance and harmful medication interactions. These losses are mitigated and could ultimately be prevented by the efforts made by PBMs to promote greater patient understanding.

The competitive nature of PBMs has allowed companies to develop diverse methods for controlling costs and providing safe medications. Thus, the proposed merger between pharmacy benefit managers (PBMs) Express Scripts and Medco Health Solutions would empower patients with greater prescription choice and broader pharmaceutical information. These companies have recovered preventable costs in the health care system without government mandate or management—to intervene as companies start to build on their successes would reverse significant pro-patient reform.

Discouraging the collaboration of two companies that have been tremendously successful in lowering costs and increasing safety would indicate lawmakers are not serious about addressing long-term sustainability in the American health care system. I encourage you to consider these points as the discussion on PBM mergers continues and urge you to refrain from any action that would allow this effective health care reform to move forward.

Sincerely,

Grover Norquist  
President  
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