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PCMA on IOM Essential Health Benefits Report:

Employers and Special Interests Will Spar Over Costly Prescription Drug Mandates

(Washington, DC)— By urging the U.S. Department of Health and Human Services (HHS) to issue “Essential Health Benefits” regulations that ensure affordable, flexible benefits in the exchanges, the Institute of Medicine (IOM) has launched a long-overdue debate between employers and some powerful special interests that benefit from costly new mandates, according to the **Pharmaceutical Care Management Association (PCMA)**.

[A new survey](#)

(<http://www.pcmanet.org/images/stories/uploads/2011/Sept2011/ehb%20small%20business%20drug%20benefit%20poll%20memo%20sept%202011.pdf>) shows that small employers strongly oppose many of the regulations that special interests routinely ask HHS to impose on plans that offer drug coverage. These include restrictions on mail-service pharmacy, drugstore networks, generic drugs, pricing models, and overall benefit design.

“On prescription drug issues, employers want access to affordable plans that promote mail-service pharmacy, offer less expensive drugstore networks, and don’t require small businesses to bear the full cost of drugs that can cost \$100,000 or more. Some powerful special interests, however, profit from mandates that prohibit plans from offering these options in the exchanges,” said **PCMA President and CEO Mark Merritt**.

Small businesses will be among those most affected by the Essential Health Benefit rules, which apply to employers that purchase coverage and have fewer than one hundred employees, as well as qualified health plans in the state exchanges. Pharmacy benefit managers (PBMs) administer drug benefits for thousands of small businesses throughout America.

[The survey](#)

(<http://www.pcmanet.org/images/stories/uploads/2011/Sept2011/ehb%20small%20business%20drug%20benefit%20poll%20memo%20sept%202011.pdf>) of owners and human resource managers of small businesses with 100 or fewer employees directly impacted by the upcoming Essential Health Benefits regulations found that by a 78 to 11 percent margin, “small businesses should be able to reduce prescription drug costs as much as possible, even if it means drugstores make less profit.” Only six percent were interested in knowing how much drugstores are paid.

Small businesses disagree with the drugstore and drug company lobbies on the following issues: Small businesses want access to plans that exclude expensive drugstores from their networks. 61 percent say it is a good idea to “allow employers to choose lower cost plans that exclude the most expensive drugstores from their coverage network.”

Seventy-four percent oppose mandating across-the-board, low co-pays for high-priced drugs. By a 2-1 margin, small businesses think it would be better to require drug companies to offer case-by-case price discounts to those in need.

Small businesses want to hold drugstores accountable. 88 percent say it is a good idea to “allow plans to audit drugstores that appear to be overcharging.”

Small businesses want access to plans that encourage delivery of prescription drugs through the mail. 79 percent say it is a good idea to “allow plans to offer discounts that encourage employees to get prescriptions by mail.”

A new PCMA ad campaign highlights that small businesses oppose regulations that would allow special interests to raise prescription drug costs. Click [here](http://www.pcmanet.org/images/stories/uploads/2011/Oct2011/pcma%20eb%20regulations%20ad%20oct%202011.pdf) (<http://www.pcmanet.org/images/stories/uploads/2011/Oct2011/pcma%20eb%20regulations%20ad%20oct%202011.pdf>) to view the ad.

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PCMA represents the nation’s pharmacy benefit managers (PBMs), which improve affordability and quality of care through the use of electronic prescribing (e-prescribing), generic alternatives, mail-service pharmacies, and other innovative tools for 200-plus million Americans.