Who Decides?

Pharmacy Benefit Managers & Medication Access

Patients who rely on prescription medication may encounter bureaucratic delays, high out-of-pocket costs or forced medication switching. These hurdles often stem from the work of middlemen known as pharmacy benefit managers.

Managing Prescription Drug Benefits

Health insurers hire pharmacy benefit managers to administer their prescription drug benefits. These companies negotiate contracts with pharmaceutical manufacturers, wholesalers and pharmacies.

They also determine:

- Which medications are covered by health plans
- The amount patients will pay out of pocket for their medication
- The requirements for coverage, which may include utilization management tools like prior authorization or step therapy

Restricting Patient Access

Pharmacy benefit managers organize health plan formularies, or lists of covered drugs. Their decisions are based on a number of factors, including profits.

Patients who need non-preferred drugs or medications that may cost the health plan more can face:

- High out-of-pocket costs meant to dissuade patients from taking non-preferred medications
- Non-medical switching, where stable patients are pushed from their current medication to one that's less expensive for the health plan
- Utilization management, including prior authorization or step therapy

Keeping the Focus on Patients

The measure of a good health plan should be how well it meets patients' needs, not how much it profits the pharmacy benefit manager. As policymakers explore the high cost of medication for patients, some state legislatures are considering tightening regulations on pharmacy benefit managers.

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