



# 2025

## INDEPENDENT COMMUNITY PHARMACY LEGISLATIVE PRIORITIES

### **THE PBM REFORM ACT (H.R. 4317)** *Finalizing bipartisan, bicameral PBM reforms*

#### **Background**

Taxpayer-funded Medicare and Medicaid programs account for more than half of the prescriptions filled at community pharmacies. In these programs, however, pharmacy benefit managers (PBMs) often engage in practices that inflate costs for taxpayers and inhibit patient (taxpayer) access to pharmacy services.

These tactics include profiting off spread pricing in Medicaid managed care programs and issuing lopsided contracts with pharmacies to participate in Medicare Part D. These contracts frequently include unworkable terms for pharmacies, including reimbursing them less than their cost to acquire medicines. Contracts are often faxed to pharmacies and are opt-out, meaning pharmacies may end up locked in untenable contracts that imperil their ability to stay in business. PBMs also steer prescriptions to their own pharmacies rather than contracting with any pharmacy willing to participate in the network.

#### **Legislation**

Reps. Buddy Carter (R-Ga.), Debbie Dingell (D-Mich.), Greg Murphy (R-N.C.), Deborah Ross (D-N.C.), Jodey Arrington (R-Texas), Diana Harshbarger (R-Tenn.), Vicente Gonzalez (D-Texas), Rick Allen (R-Ga.), Raja Krishnamoorthi (D-Ill.), John Rose (R-Tenn.), Derek Tran (D-Calif.), and Nicole Malliotakis (R-N.Y.) recently introduced legislation with the PBM reforms that were agreed to on a bipartisan, bicameral basis in December 2024, but were ultimately removed from the CR passed on Dec. 20, 2024, to fund the government.

**The pro-pharmacy PBM reforms in the PBM Reform Act (H.R. 4317) are:**

- **Medicaid managed care payment reform** through enhanced transparency and a ban on spread pricing by reimbursing pharmacies at a rate equal to the National Average Drug Acquisition Cost (NADAC) plus the state's fee-for-service dispensing fee. This would also save taxpayers over \$2 billion.
- **Medicare D contract reforms** that require CMS to define and enforce reasonable and relevant contract terms in Part D, including terms related to reimbursements, and requires the agency to establish a mechanism for pharmacies to report violations.

Overall, the PBM reform provisions create over \$5 billion in taxpayer savings.



Founded in 1898, the National Community Pharmacists Association is the voice for the community pharmacist, representing nearly 18,900 pharmacies that employ 205,000 individuals nationwide. Community pharmacies are rooted in the communities where they are located and are among America's most accessible health care providers. [To learn more, visit www.ncpa.org.](http://www.ncpa.org)