



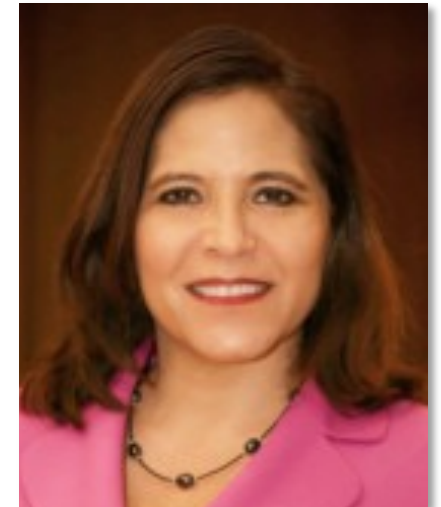
# Pharmacy Benefit Managers: What Patients Need to Know

## Today's Chat Agenda

- Updates: Community Oncology Alliance (COA) and COA's Patient Advocacy Network (CPAN)
- Debra Patt, MD, PhD, MBA, Executive Vice President of Policy & Strategy, Texas Oncology
  - What are Pharmacy Benefit Managers (PBMs)
  - Understand how PBM's Comprise Patient Care
  - How PBMs Stand in the Way of Lower Health Care Costs
  - What can advocates do to stop PBM abuses?



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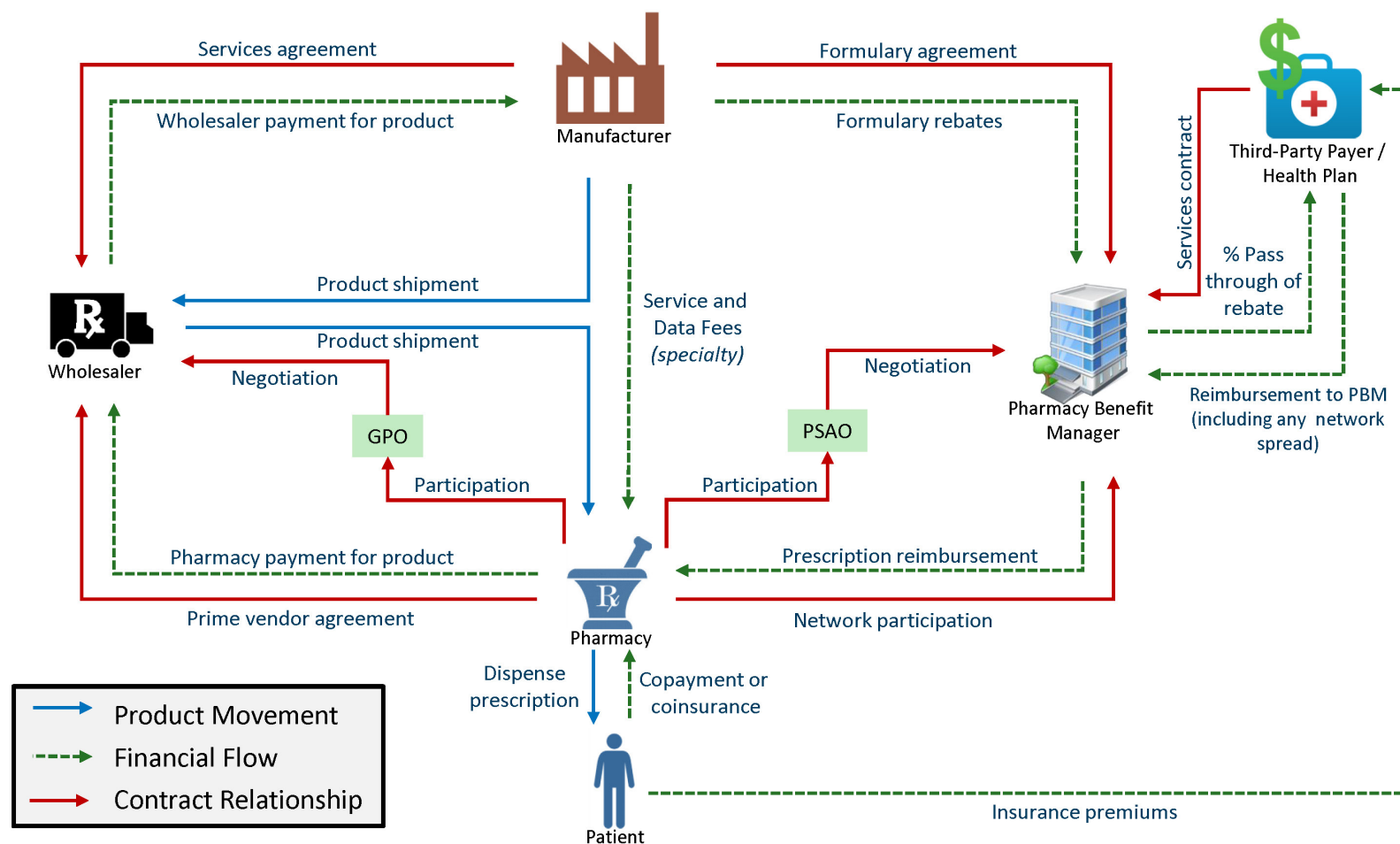
# Understanding PBMs

- Pharmacy Benefit Managers
- Third party administrators contracted by health plans, large employers, government entities to manage prescription drug benefits
- Created in the 1960s
- TODAY they manage networks, determine drug formularies, set co-pays, set criteria for prior authorizations, select patients pharmacy
- Masquerading as a “cost saver” though in reality is a cost multiplier as they benefit from every node in the supply chain with rebates and spread pricing



# Understanding PBMs

## U.S. Distribution and Reimbursement System: Patient-Administered, Outpatient Drugs



Source: Fein, Adam J., *The 2017 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*, Drug Channels Institute, 2017. Chart illustrates flows for **Patient-Administered, Outpatient Drugs**. Please note that this chart is illustrative. It is not intended to be a complete representation of every type of financial, product flow, or contractual relationship in the marketplace.  
GPO = Group Purchasing Organization; PSAO = Pharmacy Services Administrative Organization



# Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers, 2023



1. Since 2021, Prime's Blue Cross and Blue Shield plans have had the option to use Express Scripts or AllianceRx Walgreens Pharmacy for mail/specialty pharmacy services. In Dec. 2021, Walgreens purchased Prime Therapeutics' 45% ownership interest, so this business had no PBM ownership as of 2022. Effective June 2022, the company was rebranded as AllianceRx Walgreens Pharmacy.
  2. Centene has announced that it would outsource its PBM operations to Express Scripts in 2024. In 2023, Centene rebranded its pharmacy benefit subsidiary as Centene Pharmacy Services.
  3. In 2021, Centene sold a majority stake in its U.S. Medical Management to a group of private equity firms.
  4. Since 2020, Prime has sourced formulary rebates via Ascent Health Services. In 2021, Humana began sourcing formulary rebates via Ascent Health Services for its commercial plans.
  5. Previously known as Evernorth Care Group and Cigna Medical Group.
  6. In 2021, Cigna's Evernorth business acquired MDLIVE.
  7. In 2022, Cigna invested \$2.7 billion for an estimated 14% ownership stake in VillageMD. Walgreens owns a majority of VillageMD.
  8. In September 2022, CVS Health announced its acquisition of Signify Health. In February 2023, CVS announced its acquisition of Oak Street Health. Both transactions closed in 2023.
  9. Previously known as IngenioRx.
  10. In 2021, Partners in Primary Care and Family Physicians Group businesses were rebranded as Centerwell Senior Primary Care.
  11. In 2022, Kindred at Home was rebranded as CenterWell Home Health. In 2022, Humana announced an agreement to divest its majority interest in Kindred at Home's Hospice and Personal Care Divisions to Clayton, Dubilier & Rice. Humana also announced plans to close a majority of its SeniorBridge home care locations.
- Source: [The 2023 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers](#), Exhibit 234. Companies are listed alphabetically by corporate name.

# How do PBMs impact patients?

- Because of spread pricing and rebates driving decisions on formulary restrictions, costs increase
- Because they are not integrated with clinic, prescribing is wrong and delayed driving costs and delaying care
- Because of formulary restrictions patients sometimes can't get the drugs they need
- Because they are not integrated with a clinic, your doctor doesn't have insight in to the timing of you getting your medication



# Advocating for Cancer Care

- Thank you for taking time to be an advocate!
- Tell your story and challenges that you have
- Don't feel like you have to understand all of the policy details/pending legislation/nuance



# Thank You Dr. Patt!

Don't miss our next Advocacy Chat on  
**Wednesday, June 12, at 12:00 pm ET**