Press Release

FTC and Congress Put PBMs on Notice

PAULINA ENCK | APRIL 17, 2023

As the Federal Trade Commission (FTC) engages in a ramp-up of enforcement against allegedly illegal pharmacy benefit manager (PBM) rebate schemes, the Senate is debating the Pharmacy Benefit Manager Transparency Act of 2023, a bill that would further regulate PBMs. In a new insight, Competition Economics Analyst Fred Ashton explains why the rush to regulate PBMs without clear information on their market impact risks policy missteps that could reduce competition and ultimately harm patients.

Ashton concludes:

> *Even before the FTC's investigation into the business practices of PBMs has concluded, the agency quickly declared that the industry requires increased oversight and enforcement. Congress, too, may be jumping the gun in its conviction that PBMs represent a malign influence in the prescription drug market, with the Senate now debating legislation that would prohibit certain PBM activity and grant the FTC increased regulatory power.*
>
> *The FTC and the Senate have, as planned, put the PBM industry "on notice." Yet by prejudging the exact nature of PMB influence in the prescription drug market, lawmakers and regulators, according to available data, risk hindering competition and ultimately raising patient costs.*

Read the analysis