

Georgia failed to put patients first by not holding pharmacy middlemen accountable



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Georgia lawmakers adjourned the 2023 legislative session without passing a bill intended to redirect pharmaceutical discounts to patients. Joe Raedle/Getty Images

As Georgians struggle to feed their families and afford housing, many are now having to balance affording basic necessities with paying high costs at the pharmacy counter. While Georgia lawmakers are rightly looking for solutions to ease the burden of high health care costs, industry middlemen, known as pharmacy benefit managers (PBMs), have flown under the radar and are getting away with intentionally increasing costs for patients. Yet state lawmakers missed an opportunity during the 2023 legislative session to reform a system that continues to allow insurers and other middlemen to pocket medication discounts that are intended to lower costs for Georgia patients.

With 6 million Georgians living with at least one chronic disease, many Georgia patients rely on frequent dosages of medications to manage their health and symptoms. Chronic conditions, such as lupus or multiple sclerosis, require consistent medication. However, nearly 70% of Georgia adults have reported confronting burdensome health care costs. We cannot continue to let Georgians fall behind on health care they need.

Many Georgia patients are struggling to afford critical health care as a result of insurance barriers and pharmacy middlemen who are putting lifesaving health care out of reach. Many Georgia health insurers use PBMs, which negotiate drug prices and rebates for the health plans they represent. With little transparency and oversight, PBMs have evolved to become one of the largest and most influential stakeholders in decisions regarding prescription drug access and affordability in Georgia. In the name of cost containment for insurers, PBMs negotiate significant rebates and discounts for the cost of medications and treatments from pharmaceutical companies. Yet, they don't pass those savings onto patients receiving the care, causing Georgians to pay more from their own wallets for their medications.

Georgia patients, particularly those with chronic conditions such as hepatitis C, arthritis, or high blood pressure, require daily medications to manage symptoms and control their illness. However, when a patient's out-of-pocket costs become too high, a patient is more likely to forgo their treatments, which can lead to even higher medical costs such as hospitalizations, or emergency room visits. When patients have reliable access to consistent treatments to manage a chronic illness, it significantly improves health outcomes, lessens potential for hospital visits, and drives down costs for the entire health system.

Pharmaceutical rebates are created by drug manufacturers to help patients afford and access the medications they need. Yet, PBMs are unfairly pocketing discounts that should be passed onto patients and turning a profit at the expense of Georgia's most vulnerable. The amount that Georgia patients pay for a medicine – either through their deductible or through coinsurance – is often based on the full list price of the medicine rather than the deeply discounted amount that an insurance company actually pays. Georgia lawmakers must take action to reform a system that continuously allows pharmacy middlemen to improve their bottom lines on the backs of the chronically ill.

PBM practices have become a growing problem across the industry, yet state lawmakers did not take action to pass the Lowering Prescription Drug Costs for Patients Act, a much-needed step to ensure patients get the care they need when they need it. [House Bill 343](#) would have required PBMs to pass 50% of rebates directly to patients at the pharmacy counter or other point of sale and would have required PBMs to annually report the rebate amount they have passed through. According to UnitedHealth, patient adherence improves when point-of-sale discount programs were applied, which lowers prescription drug costs for the patient, contributes to improved health, and reduces total health care costs for the health system overall.

Georgia lawmakers have failed to put patients first by not taking a stand to stop letting PBMs and insurers pocket rebates and discounts. States like Arkansas have already passed legislation to ensure 100% of rebates are passed on to patients. It is critical that lawmakers realize that Georgia patients are counting on them to increase transparency into the industry of pharmacy middlemen. Ensuring rebates are passed onto patients is a commonsense solution to the rising health costs that Georgians are facing.

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