



Office of the Chair

UNITED STATES OF AMERICA  
Federal Trade Commission  
WASHINGTON, D.C. 20580

**Statement of Chair Lina M. Khan  
Regarding 6(b) Study of Pharmacy Benefit Managers  
Commission File No. P221200**

**June 8, 2022**

The Federal Trade Commission has voted to order the six largest pharmacy benefit managers (“PBMs”) in the U.S. to provide documents and data as part of an FTC inquiry into the impact of PBM practices on competing pharmacies, payers, doctors, and patients. This is a critical step to increase scrutiny of powerful companies within the U.S. pharmaceutical system.

While unknown to much of the American public, PBMs are powerful intermediaries at the center of the U.S. prescription drug system. In many instances, PBMs practically determine which medicines are prescribed, which pharmacies patients can use, and the amount patients will pay at the pharmacy counter. As drug prices have soared and independent pharmacies have shuttered, scrutinizing the practices of PBMs is more critical than ever.<sup>1</sup>

In recent years, the Commission has received complaints about PBM practices from patients and professionals across the healthcare system.<sup>2</sup> The largest PBMs are now vertically integrated with the largest health insurance companies and wholly owned mail order and specialty pharmacies. Those who own competing pharmacies have complained that PBMs impose unfair fees and clawbacks, impose byzantine contracts that often reimburse pharmacies less than their costs of acquisition, and steer patients to PBM-owned pharmacies. PBMs have also been accused of harming patients by extracting rebates and fees in exchange for refusing to cover generic and biosimilar drug products, ultimately raising the price that consumers pay for medicines. Doctors have also complained that PBMs impose unnecessary and burdensome prior authorization and other administrative requirements.

The FTC’s forthcoming PBM inquiry will examine several of the most common complaints about PBMs and will seek to assist policymakers in determining whether Americans would benefit from reforms to this critical industry.

While I was disappointed that the Commission declined to proceed with a study earlier this year, I am glad we have been able to move forward with this work at this time. I am grateful to the PBM team for their diligent work to advance this study and look forward to working with

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<sup>1</sup> See Remarks of Chair Lina M. Khan Regarding the 6(b) Study on Pharmacy Benefit Managers (Feb. 17, 2022), <https://www.ftc.gov/news-events/news/speeches/remarks-chair-lina-m-khan-regarding-6b-study-pharmacy-benefit-managers>.

<sup>2</sup> In February 2022, the FTC launched a public docket to collect comments on the impact of pharmacy benefit managers’ practices. See Press Release, FTC Requests Public Comments on the Impact of Pharmacy Benefit Managers’ Practices (Feb. 24, 2022), <https://www.ftc.gov/news-events/news/press-releases/2022/02/ftc-requests-public-comments-impact-pharmacy-benefit-managers-practices>. Since then, the Commission has received over 24,000 comments in this docket. See Regulations.gov, Solicitation for Public Comments on the Business Practices of Pharmacy Benefit Managers and Their Impact on Independent Pharmacies and Consumers, FTC-2022-0015 (Feb. 24, 2022), <https://www.regulations.gov/docket/FTC-2022-0015>.

the Commission to advance this work. Given that PBMs' practices can have life-and-death consequences for Americans, the FTC has a moral imperative to act with urgency on this issue.

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