

Representative • 97th Assembly District

For Immediate Release Contact: Rep. Scott Allen 16 March 2021 (608) 266-8580

Assembly passes transparency measures for pharmacy benefits managers

Pharmacy Benefit Managers (PBMs) would face greater scrutiny under a bill passed today by the State Assembly.

<u>Senate Bill 3</u>, which Rep. Allen cosponsored, requires that PBMs obtain a license with the state through the Wisconsin Office of the Commissioner of Insurance (OCI). OCI in turn will require transparency reports to provide more accountability. The bill also prohibits PBMs from penalizing insurers or pharmacists for disclosing lower-cost alternatives.

PBMs purportedly offer services to health care companies to manage costs associated with prescription medications. However, their effectiveness has been questioned, and many believe their actions drive up the cost of prescriptions.

"There's a reason why gag clauses abound in PBM contracts, and it's not good for patients, employers, or the free market," said Rep. Allen. "The transparency measures will help ensure competition and lower prices for consumers. This is a good step in the right direction."

The bill now goes to the Governor.

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The 97th Assembly District includes portions of the City and Village of Waukesha and the Towns of Genesee, and Mukwonago.