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## V.I. Attorney General Joins 37-State Coalition Urging Congress to Ban Pharmacy Benefit Managers From Owning Pharmacies

**Attorney General Rhea joined 37 other attorneys general in urging Congress to prohibit pharmacy benefit managers and their parent companies from owning or operating pharmacies, citing market dominance, reduced access, and harm to independent pharmacies.**

Health / **Published On April 14, 2025 04:39 PM /**

Staff Consortium **April 14, 2025**

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Attorney General Gordon C. Rhea of the U.S. Virgin Islands has joined a bipartisan coalition of 38 attorneys general from across the United States and its territories, calling on Congress to prohibit pharmacy benefit managers (PBMs) and their parent companies from owning or operating pharmacies.

The request was made in a formal letter sent to congressional leadership, including House Speaker Mike Johnson, Senate Majority Leader John Thune, Senate Democratic Leader Charles Schumer, and House Minority Leader Hakeem Jeffries. The letter urges lawmakers in the 119th Congress to address the mounting concerns over the growing dominance of PBMs in the prescription drug marketplace and the detrimental effect that consolidation has had on competition, affordability, and patient access to care.

"Pharmacy benefit managers were meant to serve as intermediaries to help manage drug costs, but instead, they've used their position to dominate the marketplace and crush independent pharmacies," said Attorney General Rhea. "It's time for Congress to act decisively and prohibit PBMs from owning or operating pharmacies. This change is essential to protect small businesses and ensure consumers have fair access to affordable medications.

The letter, led by the attorneys general of Arkansas, Massachusetts, Missouri, and Vermont, outlines how PBMs, once intended to lower healthcare costs by negotiating discounts and streamlining prescription services, have evolved into vertically integrated corporate structures that now wield disproportionate control over every aspect of the prescription drug supply chain?.

According to the letter, PBMs now manage 80% of the nation's prescriptions, and the top three PBMs control 70% of the specialty drug revenue. All six of the largest PBMs operate their own affiliated pharmacies, and five of them are subsidiaries of conglomerates that also own insurance companies and healthcare clinics. Several have even moved into pharmaceutical manufacturing, further deepening their hold over the industry.

This vertical integration, the attorneys general argue, allows PBMs to create unfair advantages for their affiliated pharmacies, often steering customers away from local, independent businesses by offering more favorable contract terms to their own subsidiaries. This control, they contend, has driven approximately 10% of rural independent pharmacies in the U.S. to close over the past decade.

The consolidation has resulted in a reduction in patient choice, decreased affordability, and reduced transparency. PBMs can determine which medications are available to patients by manipulating formularies, or tiered lists of covered drugs, based on profit-driven negotiations with manufacturers rather than medical need. The result, according to the letter, is a healthcare system where prescription decisions are increasingly made in corporate boardrooms, rather than in doctors' offices.

The letter emphasizes that PBMs should not be allowed to own pharmacies directly or through parent companies, arguing that doing so creates an inherent conflict of interest. The attorneys general advocate for legislation that would restore fair competition, help safeguard independent pharmacies, and improve access and affordability for consumers nationwide.

The coalition believes that banning ownership ties between PBMs and pharmacies would allow unaffiliated pharmacies to compete on a level playing field, giving patients more choice and lowering prices through true market competition.

In addition to Attorney General Rhea, signatories of the letter include attorneys general from Alaska, American Samoa, Arizona, California, Delaware, the District of Columbia, Hawaii, Illinois, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

The effort represents one of the broadest bipartisan coalitions assembled in recent memory to address pharmaceutical policy. The coalition's leaders say the matter is urgent and ask Congress to act quickly to enact legislation that reflects these concerns.

A copy of the full letter is on file with the National Association of Attorneys General, which helped coordinate the effort. The coalition continues to monitor ongoing federal investigations into PBM practices and says it will remain engaged on legislative and regulatory efforts aimed at reforming the prescription drug marketplace.

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