Community Oncology Alliance Applauds Supreme Court Ruling Supporting State Regulations of PBMs

Supreme Court Ruling Gives States Mandate to Regulate PBMs and Stop Abuses That Harm Patients and Health Care System

Washington, D.C. – December 10, 2020 – The Community Oncology Alliance (COA) applauds the Supreme Court of the United States for its momentous and unanimous ruling supporting the rights of states to regulate reimbursement rates set by Pharmacy Benefit Managers (PBMs). Earlier this year, COA and several leading community oncology practices filed an Amicus Curiae brief in support of the case, noting that states needed the ability to address PBM abuses and pricing games, especially those that are hurting patients with cancer. In recent years, PBMs have increasingly inserted themselves between oncologists and their patients, adversely impacting the delivery of cancer care.

In a major victory for patients, practices, and pharmacies, the Supreme Court handed down a unanimous 8-0 decision in the case, *Rutledge v. the Pharmaceutical Care Management Association*. The Pharmaceutical Care Management Association (PCMA), the professional lobbying group that represents PBMs, sued Arkansas Attorney General Leslie Rutledge after her office found that PBMs were violating the state's Deceptive Trade Practices Act by reimbursing pharmacies below the pharmacies' cost to acquire the medication. The PCMA argued that Arkansas' law was pre-empted by the Employee Retirement Income Security Act (ERISA) which prohibits states from passing laws that reference an ERISA plan or have a connection to an ERISA plan.

"Today's Supreme Court ruling is a victory by stopping PBMs from hiding behind ERISA to spread price and to abuse patients with cancer and other serious diseases. Allowing elected officials to fulfill their constitutional duties to enact policies that protect the health and well-being of citizens is critical to ensuring our health care system functions to serve the needs of patients, not the bottom lines of middlemen," said Ted Okon, executive director of COA. "For too long, inaction by Congress and regulators has allowed PBMs to corrupt nearly every step of the patient journey, causing nothing but endless pain and suffering for patients with cancer who face delays and denials in being able to access their life-saving medications. Thanks to the Supreme Court's ruling today, states will now have clear authority and mandate to do what is right for vulnerable patients by regulating PBMs."

For several years, COA has reported on the real-life patient horror stories at the hands of PBMs and the suffering they cause by delaying delivery of critical cancer drugs, denying coverage, and arguing with physicians and pharmacists over proper treatment, among other abuses. These include patient PBM horror stories like those published by NBC News, the Fresno Bee, the Columbus Dispatch, and STAT News. Countless research has also been released highlighting the problem of pricing games and spread pricing, including a recent report on the Florida Medicaid program. COA has been active in warning policymakers that without significant state or federal action, PBM abuses will undermine our health care system and the incredible, lifesaving progress the United States has made in treating cancer and reducing mortality due to the disease.

Read COA's Amicus Curiae brief from earlier this year in *Rutledge v. the Pharmaceutical Care Management Association* at https://communityoncology.org/wp-content/uploads/2020/03/18-540tsacCommunityOncologyAllianceInc.pdf.