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PILMA is a partnership committed to creating high-quality union construction jobs and fostering biopharmaceutical innovation and advancement. America's biopharmaceutical industry is a vibrant sector supporting over 4 million U.S. jobs and is an important economic engine domestically.

The importance of this partnership came into full view during the COVID-19 pandemic. While America's biopharmaceutical companies directed the industry's resources to research and develop vaccines and treatments to save lives, organized labor kept pace by building out the infrastructure necessary to develop and manufacture these groundbreaking discoveries. Because of this, patients were able to receive lifesaving vaccines and treatments in record time.

However, as Congress now debates policies around the reconciliation bill, the future of continued medical discoveries that save lives and the jobs the industry supports hang in the balance. PILMA urges Congress to reconsider the policies being debated to determine what will truly help lower the cost of prescription drugs for patients. PILMA supports looking at the [entire supply chain](#) and implementing pharmacy benefit manager (PBM) reforms that pass the discounts they receive from manufacturers directly to patients. In addition, PILMA has long opposed [price controls](#) on biopharmaceuticals which would erode intellectual property protections, leading to reduced incentives to risk the investment necessary to discover new medicines, leading to less capital construction, and a loss of union construction jobs.

PBMs are opaque players in the biopharmaceutical supply chain that profit as medicines move from manufacturer to patient. These entities control which medicines are placed on insurers' formularies, and what price patients pay for them. It has been well documented that at times patients [pay more than PBMs for medicines](#) while directly profiting from patients. Due to consolidation, PBMs have enormous negotiating power and demand deep discounts through rebates from manufacturers – savings not shared with patients or plan sponsors. Often, if manufacturers don't agree to these rebates, then PBMs can make it difficult for patients to obtain medications. Due to misaligned incentives, PBMs favor medicines with high list prices since they receive a larger profit on these medicines.

According to [The Berkeley Research Group](#), biopharmaceutical manufacturers now receive less than half of every dollar of prescription drug spending. The rest goes to insurers, PBMs, and other players in the supply chain. Regulating PBM practices would yield huge savings for patients and the government and has been done with [success in other states](#).

We urge Congress to examine the role that middlemen play in the price of medicines and implement reforms that address their unscrupulous business practices to protect the health of patients and the jobs that this important industry provides. PILMA welcomes ongoing dialogue with policymakers as these policies are debated and implemented during reconciliation.