
## Legislative Updates as of 08/28/2026

## Client Update: House Study Committee on Pharmacy Benefit Managers & Consumer Access to Prescription Medication

**Overview**
The House Study Committee examining Pharmacy Benefit Managers (PBMs) and Consumer Access to Prescription Medication continued its review of PBM practices, prescription drug pricing, pharmacy reimbursement, and the 340B Drug Pricing Program.

The hearing featured testimony from federal policymakers and regulators, pharmaceutical manufacturers, patient advocates, Federally Qualified Health Centers (FQHCs), and pharmacy representatives. While there was significant disagreement among stakeholders—particularly regarding 340B—several consistent themes emerged around transparency, enforcement, patient access, pharmacy reimbursement, and PBM vertical integration.

**Key Takeaways**
PBM Transparency & Enforcement Remain Central Concerns

A significant portion of the discussion focused on whether existing state laws are sufficient to prevent PBMs from manipulating reimbursement and pricing.

Federal Trade Commission (FTC) representatives discussed the agency's ongoing examination of the nation's largest PBMs. The FTC noted that the three largest PBMs manage nearly 80% of prescriptions filled in the United States, while the six largest account for approximately 94% of prescription drug claims.

Speakers also raised concerns about the increasing vertical integration of PBMs with insurers, specialty pharmacies, mail-order pharmacies, and retail pharmacies.

One presenter argued that Georgia has some of the strongest PBM statutes in the country but could improve enforcement. Tennessee was cited as an example of a state that has dedicated personnel focused specifically on PBM enforcement and has conducted broad statewide compliance audits.

Effective-Rate Pricing Could Present a New Enforcement Challenge

The committee heard that traditional approaches to prohibiting spread pricing may not capture newer PBM reimbursement methodologies.

One presenter discussed "effective rate pricing," in which a PBM may initially reimburse a pharmacy and subsequently reconcile or adjust payments based on an effective rate. According to the testimony, this can make


it difficult for plan sponsors and regulators to determine the actual amount a pharmacy was ultimately reimbursed.

The presenter cited federal audits in which the Office of Inspector General reviewed PBM pharmacy contracts and identified discrepancies between negotiated pharmacy discounts and the amounts ultimately reflected in PBM reporting.

**Pharmacy Reimbursement & Patient Steering**
Independent pharmacies and pharmacy advocates argued that reimbursement rates remain a significant concern. The Georgia Pharmacy Association identified three primary priorities:

- Establishing a reimbursement floor based on NADAC plus a dispensing fee
- Strengthening patient choice and anti-steering protections
- Increasing transparency and enforcement

Pharmacy representatives also raised concerns about PBMs directing patients toward specialty, mail-order, or PBM-affiliated pharmacies.

The committee heard testimony alleging that PBMs may reimburse affiliated pharmacies at significantly higher rates than independent pharmacies, creating an incentive for patient steering.

One analysis presented during the hearing found substantial variation in reimbursement for the same drug, including instances where the same drug was reimbursed at dramatically different rates depending on the pharmacy and contract involved.

**340B Drug Pricing Program**
The 340B program was the most contested issue of the hearing, with pharmaceutical manufacturers and safety-net providers presenting substantially different perspectives.

Manufacturers: Increased Oversight Needed

Representatives from PhRMA, Johnson & Johnson, UCB, Bristol Myers Squibb, and AbbVie argued that 340B has expanded significantly beyond its original purpose.

Common concerns included:
- Rapid growth in 340B spending
- Lack of transparency regarding how savings are used
- Contract pharmacy expansion
- Potential duplicate discounts and diversion
- Hospital consolidation


- Potential incentives to favor higher-priced brand drugs over lower-cost alternatives
- Concerns that PBMs and large pharmacy organizations may capture portions of the 340B savings

Manufacturers generally supported greater transparency and reporting requirements to demonstrate how 340B savings benefit patients.

One proposal discussed during the hearing would require covered entities to provide standardized reporting and potentially undergo independent audits or attestations.

**Safety-Net Providers: 340B Is Essential to Patient Care**
FQHCs and other safety-net providers strongly defended the current 340B structure.
Providers testified that 340B savings help fund services that extend beyond the cost of prescription medications, including:

- Transportation
- Behavioral health
- Dental care
- School-based healthcare
- Medication delivery
- Patient assistance
- Chronic disease management
- Substance abuse treatment
- Housing and supportive services

Several providers argued that restricting the number of contract pharmacies they can use would disproportionately affect rural and underserved patients, particularly patients who do not live near an FQHC's physical pharmacy.

One FQHC reported that restrictions on contract pharmacy arrangements had already resulted in approximately $540,000 in lost revenue based on partial 2025 data.

**Patient Access Perspective**
Patient advocates emphasized that prescription drug policy should ultimately be evaluated based on whether patients can actually obtain and afford their medications.

Testimony highlighted barriers including:

- High copays and coinsurance
- Prior authorization
- Formulary restrictions
- Specialty pharmacy requirements


- Medication interruptions
- Transportation barriers

The hearing also highlighted concerns that interruptions in access to medications for chronic conditions such as HIV and sickle cell disease can result in significant downstream health and healthcare costs.

**Potential Areas for Georgia Policymakers**
Based on testimony during the hearing, several areas could warrant additional discussion as the committee develops its recommendations:

PBMs
- Strengthening PBM enforcement mechanisms
- Statewide PBM compliance audits
- Dedicated PBM enforcement staff
- Greater transparency into PBM contracts
- Oversight of effective-rate pricing
- Restrictions on patient steering
- Additional protections against affiliated pharmacy reimbursement disparities
- Continued examination of PBM vertical integration

Pharmacies
- NADAC-based reimbursement floors
- Dispensing fees
- Independent pharmacy sustainability
- Patient choice
- Specialty pharmacy steering
- Greater access to PBM reimbursement data

340B
- Standardized reporting requirements
- Independent audits of 340B savings
- Transparency surrounding contract pharmacies
- Duplicate discount and diversion prevention
- Claims-level data
- Oversight of how 340B savings are used
- Impact of 340B on employers and state-sponsored health plans
- Preservation of access for rural and underserved patients

**Outlook**


The hearing demonstrated that there is broad interest in reforming the prescription drug supply chain, but limited agreement on where reforms should be focused.

The clearest areas of potential bipartisan interest appear to be transparency, accountability, enforcement, and patient access. The most significant policy divide remains the 340B program, particularly whether additional restrictions and reporting requirements would improve accountability or instead undermine the ability of safety-net providers to serve vulnerable populations.

For Georgia, the discussion around enforcement of existing PBM laws could be particularly important. The testimony suggested that the state may not necessarily need to create an entirely new regulatory framework, but could instead consider whether additional resources, audits, data reporting, or enforcement authority are necessary to ensure existing laws are effective.

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Don't miss the monthly GBG Report call, held every third Thursday at 12 PM ET. These sessions provide updates on the latest federal funding opportunities and insights to help companies navigate and secure non-dilutive capital. GLS partner G2G has helped raise over $612M and brings deep expertise in supporting innovation and commercialization. Interested? Contact Stacey Bowlin at Sbowlin@galifesciences.org.

*Georgia Life Sciences is the leading advocate for the state's life sciences sector. Our team works on behalf of our members to advance policies that support innovation and growth—advocating for federal funding that drives research and enables the approval of new therapies; a fair reimbursement and pricing landscape to ensure patient access to life-saving medicines; continued investment in research and pandemic preparedness; strong intellectual property protections that reward innovation; a business-friendly tax environment that allows companies to thrive and grow; and expanded loan guarantees and grant programs to improve access to capital, including for agricultural and energy biotechnology.*