Whereas, Pharmacy Benefit Managers (PBMs) are poorly regulated entities which act as middlemen between health plans, pharmacies and drug manufacturers; and

Whereas, They have been associated with adverse business practices including opaque operations ‘spread pricing’, and skyrocketing drug costs; and

Whereas, PBM’s play an important part in the pharmaceutical supply chain--sometimes bankrupting pharmacies and making (and breaking) markets for pharmaceutical agents; and

Whereas, Drug manufacturers are legally obligated to report existing or pending drug shortages to the Food and Drug Administration, that requirement extends only to drug supply disruptions, not detailed information on their supply chain, in which PBMs play a key role; and

Whereas, Common retail prescription medications are frequently and chronically ‘backordered’ at a retail pharmacy, but often readily available at the hospital; therefore be it

RESOLVED, That our American Medical Association conduct a study which will investigate the role pharmacy benefit managers play in drug shortages. (Directive to Take Action)

Fiscal Note: Modest - between $1,000 - $5,000

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