



# Attorney General Doug Peterson

# News Release

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## **Attorney General Doug Peterson Joins Bipartisan Coalition of 35 AGs to Regulate Abusive Practices of Pharmacy Benefit Managers**

**Lincoln**— Nebraska Attorney General Doug Peterson today joined a bipartisan coalition of 35 attorneys general from across the country in an [amicus brief](#) to the Tenth Circuit Court of Appeals supporting Oklahoma’s laws that regulate abusive behavior of pharmacy benefit managers (PBMs). Oklahoma’s laws regulating PBMs are similar to Nebraska’s. Oklahoma’s laws are being challenged in the latest of a string of lawsuits by the PBM industry’s national lobbying association, Pharmaceutical Care Management Association (PCMA).

Attorney General Peterson and the bipartisan coalition seek to protect Nebraska consumers by assuring that Nebraska and all states can regulate PBMs. As Attorney General Peterson and the coalition write in their amicus brief to the Tenth Circuit, “states have an interest in preserving states’ authority to regulate companies doing business in their states, protecting their residents’ access to healthcare, and curbing abusive business practices. To advance these interests, nearly all states regulate pharmacy benefit managers.” PCMA’s broad approach to federal preemption, however, would “severely impede states’ abilities to protect their residents and potentially upend licensing and regulatory structures in nearly every state.”

### **Abusive business practices of PBMs**

PBMs are intermediaries in the prescription pharmaceutical industry between prescription-drug plans, pharmacies, and drug manufacturers. PBMs profit from fees charged to market participants and by reimbursing pharmacies less than the PBM is paid by plans for dispensing medications. PBMs have imposed self-serving protections that reduce competition, limit prescription medication access, and impose various confidentiality requirements. For example, PBMs have tried to force consumers to use

PBM-affiliated pharmacies at the expense of independent, often more convenient, pharmacies by giving consumers preferential rates if they use a PBM-affiliated pharmacy or by denying coverage at non-affiliated pharmacies altogether.

These business practices have harmed consumers, pharmacies, and states. Rural and independent pharmacies have especially struggled to survive when PBMs impose

financially unsustainable conditions. The PBM industry, however, reaps hundreds of billions of dollars annually.

PBM's have been largely unregulated for decades. States like Nebraska, Oklahoma, and others have stepped up and paved the way for PBM regulation to protect consumers and pharmacies.

Joining Attorney General Peterson in filing the brief are Minnesota Attorney General Keith Ellison, who led the bipartisan coalition, and the attorneys general of Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, and Washington.

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*Court Filing Attached*

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