

that PBMs are refusing to reimburse any pharmacy for its actual cost of a drug if the pharmacy is competing with the PBM to serve the patient. This is despite the fact that the pharmacies are required under Medicare and other federal programs to submit all costs they incur for the programs to the PBMs for reimbursement. Today, these tactics are being used to consolidate market power and destroy competition. The result is higher prices for taxpayers and consumers.

An additional concern for Congress, taxpayers and consumers is the complete lack of information about the actual prices PBMs pay for drugs. As a result, we have no way of knowing just how much PBMs profit from underpayments to pharmacies. I am also sure that many of my colleagues here are unaware that PBMs require pharmacies filling prescriptions under their plans to sign non-disclosure agreements that cover drug prices. This includes pharmacies that must deal with PBMs through Medicare and other government programs.

The role of the PBM has evolved in a relatively short period of time. PBMs emerged during the advent of managed care as pharmacy benefit administrators. Their role was to help large plans simply process drug benefit claims. The companies evolved into pharmacy benefit "managers" when they reached a scale large enough to steer volume sales for drug manufacturers.

Today, PBMs have tremendous and questionable impact on the rising costs in the current drug program. Community pharmacies purchase drugs from wholesalers to fill prescriptions, and submit reimbursement forms to the PBMs for any patients covered by the PBM plan.

PBMs that own their own pharmacies or mail programs simply pay the pharmacies below their actual acquisition cost for the drugs and pocket the difference. This provides two benefits to the PBMs. First, they make big profits on the spread between the low reimbursement they pay for the medication and the inflated price they charge the program. Second, it drives the competing pharmacies out of business, which allows further market share gains and increased pricing power.

More recently, the PBMs have developed an additional revenue stream. When Congress passed the Medicare Part D program, large pharmacy chains realized the value of merging with PBMs. The merged companies now control huge shares of the prescription drug market, and use this control to extract fees from competing pharmacy retailers that service Part-D patients.

In short, Madam Speaker, PBMs have simply placed themselves in the middle of the drug supply chain between manufacturers or wholesalers and retailers without any proof that they add value. The "Patient Health and Real Medication Access Cost Savings Act of 2009" will help end these abuses by requiring transparency. It will also ensure that lower-cost generic medications are prescribed when appropriate whenever taxpayers are paying the bill. Most important, the bill will make sure that Congress and the taxpayers we serve can actually measure the savings they have been promised.

In closing, Madam Speaker, let me say that my home state of North Carolina is a model for how to achieve savings by moving away from the PBM model in its state administered

drug benefits program. Under its plan, generic utilization has already increased, and the state projects annual utilization to reach nearly 75% in the first year. The North Carolina model proves that when retail pharmacies manage the drug benefits for plans, generic utilization increases even more. I am proud of what has been accomplished in my state, and can only hope that Congress will choose to focus on this issue so that all Americans can reap the benefits and savings from a similar approach at the federal level.

#### PERSONAL EXPLANATION

### HON. HENRY E. BROWN, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 3, 2009*

Mr. BROWN of South Carolina. Madam Speaker, due to an illness, I was absent for votes on November 16, 17, 18 and 19. Please see a list of votes I missed.

Rollcall vote No. 889: S. 1314: To Designate the Facility of the United States Postal Service Located at 630 Northeast Killingsworth Avenue in Portland, Oregon, As the "Dr. Martin Luther King, Jr. Post Office."

Rollcall vote No. 890: H.R. 3539: To Designate the Facility of the United States Postal Service Located at 427 Harrison Avenue in Harrison, New Jersey, As the "Patricia D. McGinty-Juhl Post Office Building."

Rollcall vote No. 891: H.R. 3767: To Designate the Facility of the United States Postal Service Located at 170 North Main Street in Smithfield, Utah, As the "W. Hazen Hillyard Post Office Building."

Rollcall vote No. 892: H.R. 3360: Cruise Vessel Security and Safety Act: H.R. 3360.

Rollcall vote No. 893: H. Res. 841: Expressing Support for Designation of November 29, 2009, As "Drive Safer Sunday."

Rollcall vote No. 894: On Approving the Journal.

Rollcall vote No. 895: H. Res. 891: Expressing the Gratitude of the House of Representatives for the Service to Our Nation of the Coast Guard and Marine Corps Aircraft Pilots and Crewmembers Lost Off the Coast of California on October 29, 2009.

Rollcall vote No. 896: H. Con. Res. 214: Providing for a Conditional Adjournment of the Two Houses.

Rollcall vote No. 897: Previous Question on H.R. 3791, Fire Grants Reauthorization Act of 2009.

Rollcall vote No. 898: Rule for H.R. 3791, Fire Grants Reauthorization Act of 2009.

Rollcall vote No. 899: Perlmutter of Colorado Amendment to H.R. 3791.

Rollcall vote No. 900: Flake of Arizona Amendment to H.R. 3791.

Rollcall vote No. 901: H.R. 3791: Fire Grants Reauthorization Act of 2009.

Rollcall vote No. 902: Previous Question on H.R. 2781 to Amend the Wild and Scenic Rivers Act to Designate Segments of the Molalla River in Oregon, As Components of the National Wild and Scenic Rivers System, and for Other Purposes.

Rollcall vote No. 903: Rule for H.R. 2781 to Amend the Wild and Scenic Rivers Act to Designate Segments of the Molalla River in Oregon, As Components of the National Wild and Scenic Rivers System, and for Other Purposes.

Rollcall vote No. 904: S. 1599; Reserve Officers Association Modernization Act of 2009.

Rollcall vote No. 905: H.R. 2781: To Amend the Wild and Scenic Rivers Act to Designate Segments of the Molalla River in Oregon, As Components of the National Wild and Scenic Rivers System, and for Other Purposes.

Rollcall vote No. 906: H. Con Res. 212: Expressing the Sense of Congress on the Occasion of the 20th Anniversary of Historic Events in Central and Eastern Europe, Particularly the Velvet Revolution in Czechoslovakia, and Reaffirming the Bonds of Friendship and Cooperation Between the United States and the Slovak and Czech Republics.

Rollcall vote No. 907: Table the Appeal of the Ruling of the Chair on the Motion to Recommit H.R. 3961: Medicare Physician Payment Reform Act of 2009.

Rollcall vote No. 908: Motion to Recommit H.R. 3961: Medicare Physician Payment Reform Act of 2009.

Rollcall vote No. 909: H.R. 3961: Medicare Physician Payment Reform Act of 2009.

Rollcall vote No. 910: H.R. 1834: Native American Business Development Enhancement Act of 2009.

#### INTRODUCTION OF A RESOLUTION COMMEMORATING THE WORLD MARCH FOR PEACE AND NON- VIOLENCE

### HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 3, 2009*

Mr. LEWIS of Georgia. Madam Speaker, I rise to introduce a resolution commending the participants and organizers of the inaugural World Peace March.

Dr. Martin Luther King, Jr. famously said, "Non-violence is the greatest force at the disposal of mankind. It is mightier than the mightiest weapon of destruction devised by the ingenuity of man."

The idea for this march was developed during the Symposium of the World Center for Humanist Studies in Punta de Vacas, Argentina. The result is a 90-day global voyage to raise awareness about the importance of peace and nonviolence. More than 100 participants will visit 45 countries encouraging a global movement towards peace.

On the 140th anniversary of Mahatma K. Gandhi's birth, the World March for Peace and Non-Violence began in Wellington, New Zealand. The participants have since traveled across Asia, Europe, and Africa, through many countries in opposition to militarism, war, and violence. Upon arriving in the United States, the teams divided to travel across the country and to Canada before beginning the final leg of their journey through Central and South America en route to Argentina.

I applaud the participants for their commitment to nonviolence and their determination to follow in the footsteps of Gandhi and Dr. King. Earlier this year, I led a congressional delegation to India to commemorate the 50th anniversary of Dr. and Mrs. King's pilgrimage. Upon return, I introduced H.R. 3328, the Gandhi-King Scholarly Exchange Initiative Act of 2009, a bill to establish initiatives through the U.S. State Department and the U.S. Institute of Peace to rededicate our nation and educate our future leaders about the power of peace.