

Who Are The Real Money-Makers in Healthcare?



Despite media and policymaker scrutiny over the cost of prescription drugs, the healthcare companies making the most money are not pharmaceutical manufacturers.

It is payers and pharmacy benefit managers (PBMs).

From the Fortune 500 List:

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UNITED HEALTH GROUP

UnitedHealth Group Inc. is an American for-profit managed healthcare company. The company also owns a pharmacy benefit manager, Optum Health. The company had revenues of \$184 billion in 2017.



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CVS

CVS Pharmacy is a subsidiary of the American retail and healthcare company CVS Health, and is one of the largest pharmacy benefit manager companies in the U.S. The company had revenues of \$177 billion in 2017.



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EXPRESS SCRIPTS

Express Scripts Holding Company is an American Fortune 100 company. As of 2017, the company is the 22nd largest in the country, as well as the largest pharmacy benefit management organization in the U.S.



How do these companies make so much money?

Easy: No competition. No Transparency.

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PBMs control

85%

of the market.

"[W]hich allows them to exercise **undue market power** against manufacturers and against the health plans and beneficiaries they are supposed to be representing, thus **generating outsized profits for themselves.**"

Source: The White House

www.whitehouse.gov/wp-content/uploads/2017/11/CEA-Rx-White-Paper-Final2.pdf



California Life Sciences Association

Who is really driving healthcare costs?