

Protecting the Role of PBMs in Pharmacy Management

BlueCross BlueShield of Tennessee does not own or operate a pharmacy benefit manager (PBM). We work with a PBM (CVS Caremark) to make sure our members have access to convenient, cost-effective options for the medications they need, especially for expensive specialty drugs.

Senate Bill 2040/House Bill 1959 seeks to ban PBMs, like CVS Caremark, from owning and operating pharmacies in the state of Tennessee. This includes retail locations, mail order pharmacies and specialty pharmacies.

If passed, this bill has the potential to drastically increase costs and limit patient access by:



Reducing access to care

By reducing the number of available pharmacies and creating access challenges for our members, including seniors, especially in rural areas.



Increasing premiums

By generating additional costs that will be passed on to our members.



Disrupting specialty pharmacy operations

That include handling complex therapies (like oncology drugs) and integrated patient support.



Fragmenting care

By reducing visibility into patient medication use and complicating disease management programs.



Reducing bargaining power

Limiting effective negotiations for drug pricing with pharmacies and drug manufacturers that reduce costs for our members and employer customers.



Eliminating mail order

Which helps many of our senior members access the medications they need.

By the Numbers

Losing the ability to negotiate competitive pricing on prescription drug claims would result in approximately **\$56 million in higher costs*** annually, ultimately paid for by employers and individual members with BlueCross coverage.

In our BlueCare (Medicaid) line of business, PBM pharmacies are responsible for the most complex member cases and medications. From July 2024 through June 2025, PBM-owned pharmacies covered 23% of total claims for provider-administered drugs and nearly **50%, or \$7.8 million**, of the total \$15.6 million in claims costs for these drugs.

**Numbers reflect commercial fully insured, commercial ASO and Marketplace plans*