

August 22, 2025

Ms. Meredyth Andrus  
Health Care Division, Bureau of Competition  
600 Pennsylvania Avenue NW  
Federal Trade Commission  
Washington, DC 20580  
(Submitted Electronically)

Dear Ms. Andrus:

The following are comments to the Federal Trade Commission from the Coalition Against Socialized Medicine (CASM) as part of their ongoing inquiry into [“Lowering Americans’ Drug Prices Through Competition”](#), and the series of “listening sessions” held by the FTC.

CASM is a coalition of allied free-market, limited-government policy research, education and advocacy organizations, and is led by the Conservative Political Action Coalition, a 501C(4) organization headquartered in Alexandria, VA.

### **Introduction**

On behalf of the [Coalition Against Socialized Medicine](#) (CASM), we appreciate the opportunity to submit comments following the recent Listening Sessions held by the Federal Trade Commission (FTC) and Department of Justice (DOJ) on competition in prescription drug pricing. CASM is a broad coalition of more than 20 organizations committed to advancing free-market principles that foster competition and innovation within the healthcare sector.

It is our position that strong patent protections and increased scrutiny of big insurer-pharmacy benefit managers (PBMs) are critical to preserving a competitive system that delivers cutting-edge treatments to American patients. Intellectual property (IP) is essential to innovation, our economy, and patients’ access to new therapies. Robust patent protections incentivize investment in R&D and encourage competition in the marketplace. Assertions that so-called “patent thickets” hinder innovation are misplaced; in practice, patent protections are vital to continued advancements in healthcare. Any regulatory action that weakens our nation’s fundamental IP protections represents a direct threat to the free market.

We welcome the focus on PBMs and their dominance over the prescription drug market. The six largest PBMs [manage nearly 95%](#) of all prescriptions filled in the U.S., and the “Big Three” [process almost 80%](#) of the nation’s drug claims. These corporate middlemen are also vertically integrated. For one example, UnitedHealth Group, which owns the PBM OptumRx, also has [under its umbrella](#), as of December 31, 2023, home healthcare providers, pharmacies, therapy centers, a bank, and more. When such a small number of companies control such a large portion of the industry, alarm bells should ring for any believers in free market competition.

CASM strongly urges the FTC and DOJ to prioritize policies that both protect IP rights and rein in anticompetitive practices by PBMs. By safeguarding innovation and addressing market manipulation, the agencies have the opportunity to restore competition and expand patient access, while delivering meaningful savings to American patients.

### **Protecting Patent Rights and Innovation**

Intellectual property (IP) rights—especially patents—are the backbone of pharmaceutical innovation. We urge the FTC and DOJ to reject rhetoric and proposals that mischaracterize patents as barriers to competition. Such claims, often grounded in the misleading notion of “patent thickets,” ignore the realities of biomedical research and the rigorous process of securing FDA approval. [The Council for Innovation Promotion \(C4IP\) rightly noted](#) that these patent portfolios are not exploitative but rather reflect years of clinical testing, risk, and refinement necessary to bring a single treatment to market.

Undermining IP protections will not reduce drug prices—it will reduce the incentive for companies to invest in new cures. Every patented therapy represents not only a medical breakthrough but also years of high-risk capital investment. Weakening patent rights, or encouraging retroactive regulatory interventions that destabilize IP protections, would send a chilling signal to investors and developers. As C4IP emphasized, such actions would have immediate and negative impacts on R&D pipelines and on patients hoping for treatments that don’t yet exist.

We therefore urge the agencies to uphold U.S. patent law as a cornerstone of competitive innovation and reject calls for blunt, anti-patent policies that would erode our global leadership in life sciences.

### **Addressing PBM Market Dominance**

At the same time, CASM welcomes the growing scrutiny of pharmacy benefit managers (PBMs) and their increasingly anti-competitive role in the drug pricing ecosystem. As [outlined by the American Consumer Institute \(ACI\)](#), the top six PBMs now control nearly 95% of all prescriptions filled in the U.S., with the top three alone handling close to 80% of claims. This market consolidation has reached a level that no longer reflects healthy competition—it reflects monopoly-like control.

PBMs were initially created to negotiate drug prices on behalf of insurers and employers. However, the current vertically integrated model—where PBMs are owned by the same conglomerates that own insurers, pharmacies, and providers—has fundamentally changed their incentives. These middlemen now extract value from every level of the drug supply chain, often in non-transparent and anticompetitive ways. Rebates, formularies, and spread pricing are often manipulated to benefit the PBMs and their affiliates, not patients.

One striking example is UnitedHealth Group’s ownership structure, which encompasses the PBM OptumRx, multiple pharmacies, therapy centers, and even financial institutions. This kind of integration allows PBMs to prioritize their own affiliated products and services while squeezing out independent providers and distorting the market. Patients and small businesses are left with higher costs, fewer options, and limited transparency.

ACI's public comment rightly called for more transparency around PBM rebates, discounts, and formulary practices. We strongly support this. Without visibility into how PBMs operate, it is impossible for patients, physicians, or policymakers to assess whether the system is truly working in the public's interest.

## Recommendations

CASM urges the FTC and DOJ to consider the following actions:

1. **Protect and Preserve Strong IP Rights:** Avoid regulatory actions that weaken the patent system or penalize legitimate patenting strategies. Support innovation by defending the integrity of the U.S. patent process.
2. **Investigate Vertical Integration and Anti-Competitive PBM Practices:** Launch formal inquiries into the business practices of the largest PBMs and their parent companies. Scrutinize mergers and acquisitions that further entrench their market power.
3. **Mandate Transparency in PBM Operations:** Require full disclosure of rebate structures, formulary placement decisions, and pharmacy reimbursement rates to eliminate hidden incentives that disadvantage patients and independent providers.
4. **Support Competitive Access:** Encourage policies that give patients access to independent pharmacies, new therapies, and insurer options not dominated by the "Big Three" PBMs.
5. **Reject Government Price Controls Masquerading as Competition Policy:** Real competition cannot be engineered through top-down government controls. The solution to high drug costs lies in promoting transparency, breaking up concentrated market power, and defending innovation—not regulating away the very incentives that produce medical breakthroughs.

## Conclusion

The prescription drug market faces serious challenges—but these challenges stem not from too much intellectual property, but from too much concentration of power in the hands of middlemen who are unaccountable to patients. CASM urges the FTC and DOJ to chart a path forward that restores competition by reigning in PBM abuses and preserving the innovation pipeline through robust IP protections.

Thank you for your consideration of these comments and your continued work to ensure a competitive, patient-centered healthcare system.

Sincerely,



Andrew Langer  
Executive Director  
Coalition Against Socialized Medicine (CASM)