

# Bipartisan lawmakers introduce bill requiring vertically integrated insurers to divest their pharmacies

Article

**The news:** Bipartisan lawmakers including Sens. Elizabeth Warren (D., Ma.) and Josh Hawley (R., Mo.) introduced legislation that would require companies that own pharmacies and health insurers or [pharmacy benefit managers](#) (PBMs) to divest their pharmacy businesses within three years.

The [legislation's introduction](#) comes amid [broader scrutiny](#) of vertical integration between insurers, PBMs, and pharmacies—which critics largely hold accountable for rising prescription drug prices.

**Why it matters:** Vertical integration—and PBM reform, specifically—have been widely reported on, but concrete steps to actually drive change have been scarce.

**The bipartisan legislation represents the most significant changes suggested to date, with serious implications for a number of healthcare stakeholders in play if it gets passed.**

- A recent Deutsche Bank analysis expects **CVS Health** to be the most impacted as it would likely have to separate its PBM, **CVS Caremark**, from its retail pharmacy and mail-order and specialty businesses. It estimates CVS could lose over 50% of its consolidated operating earnings if this break-up were to occur.
- For **Cigna**, a divestiture of its mail and specialty units could have a similar effect. The bank estimates that the businesses account for about 40% of Cigna's total operating earnings.
- On the other hand, consumers could benefit in the form of more affordable prescription drug access. An FTC report from earlier this year found that the largest PBMs are able to exert control over what drugs are available, [at what price](#), and which pharmacies patients can use to access them.

**Our take:** Conservatives have historically taken a hands-off approach to corporate regulation. And with a Republican-led administration set to take office in the new year, we think it's unlikely that healthcare conglomerates like UnitedHealth Group will be forced to split up.

**That said, it's incredibly rare to see bipartisan lawmakers reach across the aisle and firmly agree on an issue in today's especially polarizing world.** The fact that Democrats and Republicans have done so shows that the public's outrage over rising prescription drug prices—and the actors responsible for them—is reaching a critical mass.

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