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For Release

FTC Secures Major Settlement with Caremark, Resolving Antitrust Case Against Second Drug Middleman

Settlement will drive down patients' out-of-pocket costs, increase transparency and ensure community pharmacies are treated fairly

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Tags: Competition | Bureau of Competition | Nonmerger | Pharmacy Benefits Managers (PBM) | Health Care | Drug Stores and Pharmacies | Prescription Drugs

The Federal Trade Commission secured a settlement agreement with one of the nation's largest pharmacy benefit managers (PBMs) and its affiliated entities, marking yet another important victory in the Commission's fight to lower healthcare costs for Americans.

Caremark Rx LLC and Zinc Health Services LLC (collectively Caremark) have agreed to a settlement agreement that requires the PBM to adopt changes to its business practices to drive down patients' out-of-pocket costs, increase transparency and ensure community pharmacies are treated fairly.

"The FTC under President Trump won't stand for anticompetitive behavior that drives up prices for American consumers," said Chairman Andrew N. Ferguson. "The settlement with Caremark brings billions in real savings to consumers feeling the pinch from excessive prescription drug prices. And the settlement bars Caremark from interfering with hub pharmacies, which can help identify the lowest out-of-pocket option for patients and improve patient access to prescriptions. Today's action builds on previous wins for President Trump's healthcare agenda, including innovations like TrumpRx to make prescription drug prices more transparent and affordable for everyone."

The FTC's settlement with Caremark locks in place up to $8.5 billion in consumer savings over the next 10 years and unlocks up to $4.5 billion in additional savings for patients over the same 10-year period from point-of-sale rebates. Like the Commission's settlement with Express Scripts Inc. (ESI),

the Caremark settlement similarly delinks PBM fees from drug list prices, enhances transparency and provides retail community pharmacies with the opportunity to shift to a cost-plus reimbursement model.

Additionally, the settlement addresses concerns that Caremark, a subsidiary of CVS Health Corporation, interfered with patient and pharmacy access to hub pharmacy services, which can help patients achieve more convenient, transparent and affordable access to prescription drugs. Several of these concerns were outlined in the House Judiciary Committee's January 21, 2026 Interim Staff Report entitled, "When CVS Writes the Rules: How CVS Protects Itself From Innovation and Competition." The FTC's settlement prevents Caremark from unfairly interfering with pharmacies' ability to work with hub service providers.

The FTC's settlement agreement resolves the Commission's lawsuit against Caremark, which alleged that the PBM, as well as ESI and Optum, artificially inflated the list price of insulin drugs by using anticompetitive and unfair rebating practices. The FTC alleged these practices hampered patients' access to lower list price drug products, ultimately shifting the cost of the inflated insulin list prices to vulnerable patients.

The Commission's settlement with Caremark marks the resolution of the FTC's case against the PBM. The FTC reached a similar settlement with ESI in February 2026. The Commission's case against Optum has been withdrawn from adjudication to consider a proposed consent agreement.

Caremark Settlement

The FTC's lawsuit against Caremark, Optum and ESI alleged that the three PBMs artificially drove up the list prices of drugs by creating a system that preferences rebates. According to the complaint, this system pushed insulin manufacturers, among others, to compete for preferred formulary coverage based on the size of rebates off the list price rather than net price. The Commission alleged that this practice ultimately benefited the PBMs, which were allowed to keep some or all of the inflated rebates as well as fees paid by drug manufacturers that were based on the list price. The inflated list prices hurt patients whose out-of-pocket payments like copays and coinsurance are tied to the list price of the drug, the FTC's complaint alleged.

Under the terms of the FTC's proposed consent order settling the case, Caremark will be required to:

- Cease discriminating against low wholesale acquisition cost versions of a drug on its standard formularies;

- Provide a standard offering to plan sponsors that ensures that rebates will be passed through to members at the point of sale and that members' out-of-pocket costs are no higher than the plan sponsor's contracted rate minus any rebates, rather than the artificially inflated list price;
- In the event of certain legislative and regulatory changes, provide a standard offering to its plan sponsors that counts patient payments on TrumpRx toward patient deductibles and out-of-pocket maximums, for drugs covered under the plan sponsor's benefit design or drugs certified by TrumpRx as being the most favored nation price;
- Provide a standard offering to all plan sponsors that allows the plan sponsor to transition off rebate guarantees and spread pricing;
- Delink, for its standard offering, fees paid by drug manufacturers to the PBM/Group Purchasing Organizations (GPO) from list prices;
- Increase transparency for plan sponsors;
- Include certain terms in its standard offering to retail community pharmacies; and
- Maintain its respective GPO activities in the United States.

Caremark will also be required, under the terms of the FTC's proposed consent order , to create or maintain, as applicable, drug affordability programs that cap members' out-of-pocket costs on insulin and provide full access to the benefits of affordability programs to all members when a plan sponsor adopts a formulary that includes an insulin product covered by the program, unless the plan sponsor opts out in writing.

Caremark also will be prohibited, under the terms of the proposed consent order, from unfairly interfering with the ability of pharmacies in its networks to work with pharmacy hub service providers. This prohibition will be backed by a monitor empowered to receive complaints about and review actions taken against pharmacies using hub pharmacy services.

Hubs are digital platforms that aim to streamline patients' access to medication, improve drug affordability and support adherence. For example, hubs may coordinate the benefits and prior authorization process, help patients understand their out-of-pocket cost options, connect eligible patients with financial assistance, mail or deliver drugs directly to patients and provide drug education, care coordination and refill reminders. The proposed consent order aims to ensure that patients have access to services that help them obtain, afford and stay on the medications they need.

The terms reached with Caremark reflect similar settlement terms that the FTC reached with ESI in February.

The Commission vote to accept the consent agreement for public comment was 1-0-1, with Commissioner Meador recused.

The public will have 30 days to submit comments on the proposed consent agreement package. Instructions for filing comments appear on the docket. Once processed, they will be posted on Regulations.gov.

NOTE: When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions.

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Press Release Reference

FTC Secures Landmark Settlement with Express Scripts to Lower Drug Costs for American Patients

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