



April 22, 2026

Chairman Rick W. Allen
Health, Employment, Labor, and Pensions (HELP) Subcommittee
462 Cannon House Office Building
Washington, DC 20515

Ranking Member Mark DeSaulnier
HELP Subcommittee
2134 Rayburn House Office Building
Washington, DC 20515

RE: “Profits Over Patients: The PBM Business Model Under Scrutiny” HELP Subcommittee Hearing

Dear Chairman Allen and Ranking Member DeSaulnier,

The American Pharmacists Association (APhA) appreciates the opportunity to submit a statement for the record for the HELP Subcommittee’s hearing, “Profits Over Patients: The PBM Business Model Under Scrutiny.” This hearing is timely, given that the Department of Labor (Department) closed its comment period on the “[Improving Transparency Into Pharmacy Benefit Manager Fee Disclosure](#),” proposed rule, last week. APhA reiterates to the Subcommittee the points we submitted in our [comments](#) to the Department and urges the HELP Subcommittee to work with the Department to harmonize the provisions of the proposed rule with the PBM reforms included in the Consolidated Appropriations Act, 2026 (CAA).

APhA represents pharmacists, student pharmacists, and pharmacy technicians in all practice settings, including but not limited to community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care, and enhance public health.

The Department’s proposed rule seeks to provide transparency into the contracts and arrangements between PBMs and their affiliates, allowing the responsible plan fiduciaries of ERISA-covered self-insured group health plans to assess whether service contracts are reasonable under the statute. The proposed rule requires PBMs and their affiliates to disclose comprehensive information about the compensation they receive and the arrangements they have in place that might reward them for dispensing a particular medication or for dispensing

through a specific pharmacy channel, including those they own. Additionally, it enables the responsible plan fiduciaries to audit these disclosures to ensure the information provided is accurate and complete. These new disclosures, along with the outlined audit framework, will help shed light on potential anticompetitive or anti-patient practices that drive up health care costs, reduce patient access, and force pharmacies to dispense medications at a cost below acquisition cost.

As part of these comprehensive initial disclosures, the Department's proposed rule will require PBMs to describe the services that they provide and disclose how they receive compensation, including manufacturer payment and rebates, spread pricing, copay claw-backs, formulary incentives, price protection fees, and administrative fees, and who is providing these payments. In addition to these disclosures, the proposed rule also requires PBMs to report metrics that help responsible plan fiduciaries spot conflicts of interest related to patient steering to owned or affiliate-owned pharmacies or formulary placement incentives. It is important to note that the provisions in the Department's proposed rule apply only to ERISA-covered self-insured group health plans.

While there is still work to be done to ensure that patient access is not inhibited by anticompetitive business practices or "fail first" protocols that are centered around utilizing medications that are associated with greater rebates rather than scientific findings, APhA encourages the HELP Subcommittee to work with the Department to reconcile the disclosure and audit requirements outlined in each policy. By harmonizing the provisions in the Department's proposed rule and the CAA, the Subcommittee will be able to prevent bad-acting PBMs and their affiliates from exploiting loopholes in the express disclosure requirements or capitalizing on inconsistencies between the two pieces of PBM reform.

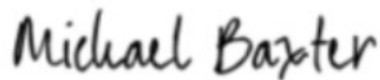
Additionally, further legislative efforts are still required, as the viability of community pharmacies nationwide remains in question.¹ Accordingly, APhA urges the Subcommittee to pass legislation that shines additional light on drug price transparency by sharing this information with the public, as greater oversight of PBMs' services and practices will help ensure fair competition and preserve patients' ability to use the pharmacy and pharmacist of their choosing. With awareness of a drug's net cost, pharmacy reimbursement is simplified and more transparent. Reimbursement for pharmacies should be based on the acquisition cost from the wholesaler, plus a reasonable dispensing fee and any and all additional pharmacist services, including pharmacist-provided patient care services that are separate from dispensing the product. With increased insight into drug pricing, Congress can then take action to ensure the sustainability of community pharmacies across the country. In addition to continued PBM reform, APhA strongly urges the Subcommittee to act swiftly to pass legislation covering lower-

¹ Ruichen Xu, et al., *Mapping U.S. Pharmacy Closures January 2014 to March 2024*, University of Pittsburgh (May 14, 2024). Available at: <https://storymaps.arcgis.com/stories/21620f1e07c14d7f81adc4503faaf51e>. See also Jason Millman, *Nearly 1 in 3 Retail Pharmacies Have Closed Since 2010, Widening Health Disparities*, USC Leonard D. Schaeffer Institute for Public Policy & Government Service (Dec. 3, 2024). Available at: <https://schaeffer.usc.edu/research/pharmacy-closures-united-states-health-affairs/>.

cost, pharmacist-provided patient care services, as transparency into the true cost of the drug does not matter if the drug is used incorrectly² and without the necessary pharmacist-provided patient care services. APhA stands ready to work with the Subcommittee in your continuing efforts to keep pharmacy doors open, improve transparency, and ensure patient access to their medications.

Thank you for the opportunity to submit this statement for the record. If you have any questions or would like to meet with APhA and our nation's pharmacists, please contact Corey Whetzel, APhA's Senior Manager, Regulatory Affairs, at cwhetzel@aphanet.org.

Sincerely,

A handwritten signature in black ink that reads "Michael Baxter". The signature is written in a cursive, slightly slanted style.

Michael Baxter
Vice President, Government Affairs

² Jonathan H. Watanabe, et al., *Cost of Prescription Drug-Related Morbidity and Mortality*, 52 *Annals of Pharmacotherapy* 829 (2018). Available at: <https://pubmed.ncbi.nlm.nih.gov/29577766/>.