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Large Employers Urge the Senate to Pass PBM Legislation for a More Competitive and Transparent Market

EmployersRx, a coalition of the nation's largest employers dedicated to bringing more transparency and accountability to health care for employers and their employees, calls on the Senate to enact meaningful pharmacy benefit manager (PBM) reform legislation. Led by the Purchaser Business Group on Health (PBGH), EmployersRx is comprised of The ERISA Industry Committee (ERIC), American Benefits Council, National Alliance of Healthcare Purchaser Coalitions, Silicon Valley Employers Forum, HR Policy Association, and the Small Business Majority.

We call upon all Senators to support private market insurance by enacting the PBM Reform Act (S.1339), which contains commonsense reforms to ensure PBMs are held accountable to fair market practices as business partners to employers and 178 million American workers and their families, public purchasers and, ultimately, taxpayers.

Transparency and accountability across the health care system is needed now more than ever to enable employers to continue to provide affordable access to health care for American employees and their families. That accountability must include all stakeholders with whom our member companies--the nation's largest employers—contract. We applaud the work of both the House and Senate to address the anticompetitive impacts of consolidation and vertical integration on spiraling health care costs, and strongly urge the Senate to pass S. 1339 this year to begin to correct the market failures that have occurred leading us to this point.

“Employers across America are eager for the long-awaited reforms that legislation like S. 1339 promises to bring to the PBM industry,” said Elizabeth Mitchell, President and CEO of the Purchaser Business Group on Health. “This bill, which has the full support of PBGH and its membership, takes a significant step toward lowering the skyrocketing drug costs faced by millions of employees and their families. With its unparalleled focus on accountability and transparency, this stands as the most robust bill in Congress to tackle key PBM concerns.”

EmployersRx and its members [continue to](#) urge the Senate to make immediate reforms that prioritize transparency, fairness, accountability, and other [employer priorities](#). To create a level playing field and empower employers to lower drug costs, these policies must be included:

1. **Require complete and unrestricted transparency into the PBM “black box.”** Clear information on pricing, rebates, and discounts is essential for employers and patients to make informed decisions and to build a functioning free market for prescription drugs.



Employers' Prescription for Affordable Drugs

2. **Ban so-called “spread pricing.”** It is unacceptable that PBMs are allowed to charge employer-sponsored plans and patients more than what they pay for a drug, with no disclosure of how much the price has been inflated. Just as Congress plans to ban this practice in government programs, working families also deserve the same protections.
3. **Require 100% pass-through of rebates, discounts, fees, and other payments from drug manufacturers.** This practice ensures that patients benefit from the savings negotiated by PBMs, rather than those savings being absorbed by the PBMs themselves.
4. **Hold PBMs accountable in the same way employers are held accountable.** The same standards applied to employers should also be applied to PBMs, and any legislation should clearly specify the parameters of PBM responsibility to ensure that they act in the best interest of the employers and patients they serve.

“We applaud the Senate HELP Committee’s leadership in advancing much-needed PBM transparency and accountability reforms,” said James Gelfand, President and CEO of The ERISA Industry Committee. “The majority of Americans receive their health care through employer-sponsored plans – and employers are the largest PBM customers. Employers, on behalf of their employees, strive to provide access to affordable prescription drugs, and PBMs should be a partner – not an obstacle – in providing value to our employees. The HELP Committee legislation changes PBM dynamics, putting them to work for the patient.”

We encourage the Senate to take swift action to address these issues and pass legislation that fundamentally improves the PBM marketplace for businesses, workers, and families. Only through decisive action can we ensure a brighter, more equitable future in pharmaceutical access and affordability for all Americans.