



January 30, 2024

Hon. James Comer
Chairman, House Oversight Committee
2157 Rayburn House Office Building
Washington, DC 20515

Hon. Jamie Raskin
Ranking Member, House Oversight Committee
2242 Rayburn House Office Building
Washington, DC, 20515-2008

Dear Chairman Comer and Ranking Member Raskin:

On behalf of Transparency-Rx, which represents over 15 million covered lives in the U.S., I am writing to express support for the Oversight Committee's work and continued legislative work into PBM practices.

Transparency-Rx is an innovative not-for-profit led by transparent pharmacy benefit managers (PBMs) that provides sound policy to galvanize true affordability for job-creators, seniors, patients, and consumers. We work with companies, leaders, and employers, with operations and partnership in all 50 states. The founding members of Transparency-Rx include AffirmedRx, Liviniti, MedOne Pharmacy Benefit Solutions Rx, Navitus Health Solutions, PBDRx, RxPreferred Benefits and SmithRx. (transparency-rx.com).

We are writing to commend the committee's decision to include the Delinking Revenue from Unfair Gouging Act (DRUG Act) (H.R. 6283) in its upcoming markup.

The Committee's consideration of the DRUG Act is notable, as the bill takes concrete steps to ameliorate the burden of high list prices that big PBMs have shifted onto patients and plans. Notably, the bill would prohibit PBMs from linking rebates paid by manufacturers to the list price of drugs, and instead implement a flat service fee. This policy is otherwise known as "delinking," and is the very essence of a transparent approach, which transparent PBMs along with local businesses already embrace. In a delinked or transparent approach, fees are disclosed, reliable, and knowable, and attempts to cure the drug affordability crisis in America, reducing employers' health care costs on average by 15-20%.

Linking list prices to rebates is one of the most egregious modern-day practices big PBMs employ, as it helps drive up list prices in order to extract higher rebates for formulary placement. Without delinking, patients come

second to PBM profits. This is why taking aim at this practice through the consideration of delinking legislation, such as the DRUG act, is critical to meaningful PBM reform.

Transparency-Rx continues support the Oversight Committee's work, to consider legislative proposals which increase transparency, oversight, and enforcement of PBM practices. Despite increased Congressional interest the prescription drug pricing and reimbursement system remains opaque. As long as big PBM's bottom lines are cushioned by higher drug prices extracted from the pockets of hard-working Americans and seniors and job-creators, insurers or PBMs will never lower drug prices, without an innovative policy proposal advancing through Congress addressing their misaligned incentives, market control, and many conflicts of interest.

The markup is another step in the right direction by the Committee. We appreciate your leadership. Please let us know if there is anything we can do to help with the provision's enactment.

Sincerely,

A handwritten signature in cursive script that reads "Joseph Shields".

Joseph M. Shields, Esq.

Managing Director, Transparency-Rx