

December 8, 2023

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The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Virginia Foxx
Chair, Committee on Education and
the Workforce
U.S. House of Representatives
2262 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jason Smith
Chair
Committee on Ways and Means
U.S. House of Representatives
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Bobby Scott
Ranking Member, Committee on
Education and the Workforce
U.S. House of Representatives
1201 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairs Rodgers, Foxx and Smith and Ranking Members Pallone, Scott and Neal:

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I write to express our support for key provisions in the bipartisan Lower Costs, More Transparency Act (H.R. 5378). Largely, this legislation represents a positive step forward that will benefit both health care workers and consumers. However, we would like to work with your respective Committees to ensure that the pharmacy benefit manager (PBM) transparency provisions also apply to health plans covering our members.

Pharmacy Benefit Manager (PBM) Price Transparency – AFSCME supports policies that make health care more affordable and accessible. The Lower Costs, More Transparency Act includes robust price transparency provisions that would shed light on an opaque system whereby pharmacy benefit managers (PBMs) work behind the scenes dictating which drugs are covered by insurers and what costs patients will face when they fill their prescriptions. We support these provisions requiring PBMs to disclose to employers more detailed data on the cost of drugs so that plans can make informed decisions in the best interest of the plan and plan participants.

AFSCME urges the Committee to make modifications to the language outlined in Section 106. The currently drafted definition of large employer inadvertently leaves out health care plans covering certain non-federal governmental health plans

American Federation of State, County and Municipal Employees, AFL-CIO

and retiree only plans. It is essential that PBMs disclose fees to health plans covering public sector workers to effectively monitor costs that can lead to higher co-pays and premiums for workers. The PBM transparency and oversight provisions are long overdue, and we are eager to work with your offices to make further refinements to the language as this bill moves forward.

Community Health Center (CHC) Reauthorization – H.R. 5378 reauthorizes funding for Community Health Centers at \$4.4 billion a year for the next two years. This is a boost over the House Energy and Commerce-passed bill, which included \$4.2 billion a year for the next two years, but it is still lower than the Senate bipartisan bill which provides \$5.8 billion a year over the next three years for health centers. We urge Congress to reauthorize this program before the continuing resolution (H.R. 6363) expires in January, at the highest funding levels to support needed staffing and services. The federal investment in community health centers extends an economic influence well beyond the clinic walls into their surrounding neighborhoods. In fact, health centers produce over \$85 billion in economic output in the communities they serve.

Disproportionate Share Hospitals (DSH) – Federal Medicaid payments to disproportionate share hospitals (DSH) provide funds to hospitals that serve a substantial number of low-income patients, such as people with Medicaid and the uninsured. Each state receives a DSH allotment, which they in turn distribute among qualifying hospitals. If Congress does not act before January 9, 2024, the hospitals will face \$8 billion in cuts, which could threaten access to care across the country and further strain staffing levels in hospitals. AFSCME supports that H.R. 5378 would block DSH cuts in fiscal years 2024-2025 to ensure steady investments in safety-net hospitals.

Hospital Price Transparency – Working families across the country continue to struggle to afford their medications and worry about surprise and unexpected medical bills when they see a doctor or visit a hospital. This legislation would require hospitals and insurers to post the underlying price of health services in a consumer-friendly format. Greater transparency could help patients make more informed decisions about their medical expenses based on information provided.

We appreciate your bipartisan leadership to increase PBM and hospital transparency, as well as to ensure that underserved communities have access to health care at health centers and safety net hospitals.

Sincerely,

A handwritten signature in black ink, appearing to read "Edwin S. Jayne". The signature is fluid and cursive, with a large initial "E" and a long, sweeping tail.

Edwin S. Jayne
Director of Federal Government Affairs

ESJ:DH:sw