

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Full Committee Ranking Member Frank Pallone, Jr.**

***Hearing on “An Examination of How Reining in PBMs Will Drive Competition and Lower Costs for Patients”***

Today, Committee Republicans are holding a hearing on Pharmacy Benefit Managers (PBMs) at the same time they are trying to take health care away from millions of Americans. The bottom line is if people don't have health care, they're not going to get drugs at all. And PBM reform won't even matter to them. Republicans continue to push a budget resolution that would direct this Committee to cut at least \$880 billion dollars from programs within this Committee's jurisdiction. We all know the vast majority of these cuts will come out of the Medicaid program.

Republicans are also hiding the true price tag of their Medicaid cuts. Since their budget resolution is over nine years rather than ten, the size of the Medicaid cuts will actually be closer to a trillion dollars over 10 years. That is hundreds of billions of dollars more than an entire year of federal Medicaid funding. And, we have the Freedom Caucus demanding that the House find an additional \$500 billion in spending cuts, which will almost certainly come from Medicaid if they prevail.

Once again, Republicans are showing that they are willing to rip health care coverage out of the hands of everyday Americans to provide tax cuts to Elon Musk and his billionaire friends. The people who will suffer are children, seniors and people with disabilities, pregnant women, and families trying to get by.

The shocking part is that many of these people live in Republican districts. For instance, Representative Obernolte has one of the highest percentages of Medicaid beneficiaries in the country, with 47 percent of the people living in his district relying on Medicaid. Over 31 percent of the good people living in Chair Guthrie's district rely on Medicaid as a vital lifeline, with 42 percent of kids in his district relying on Medicaid and CHIP.

Republicans will claim that they want to cut the Medicaid program because they want to address “fraud, waste, and abuse”—and that no one will get hurt. That's absurd. You simply cannot take that amount of money out of the Medicaid program and not hurt the people who rely on it. Medicaid is a lean program. Despite picking up the tab for costly care that no other payer covers—per-person spending is a fraction of the cost of private insurance or even Medicare.

The reality is, gutting state Medicaid budgets will lead to fewer people with coverage, fewer benefits for the people who manage to keep their coverage, worse access to care, higher health care costs for everyone, and more medical debt. Hospitals and community health centers will be forced to close.

Republicans are turning their backs on the American people to hand out giant tax breaks to their billionaire friends.

Turning to today's topic of PBMs, I believe we should be working together to bring greater transparency to PBM practices so we can lower the cost of prescription drugs for

consumers. Increasing transparency of PBM practices can help employers, consumers, and the American people better understand how drug prices are ultimately determined at the pharmacy counter.

Last December, we had a bipartisan, bicameral agreement on a number of policies to reform PBMs and to address the lack of transparency within the market, but Speaker Johnson reneged on the agreement after Elon Musk voiced his opposition to it. The agreement he walked away from would have helped lower prescription drug prices for consumers, rein in abusive practices that lead to higher drug costs, and help employers better understand drug price information in order to effectively reduce health care costs. The package also included a number of other critical components, such as funding for Community Health Centers, Teaching Health Centers, and two years of telehealth in Medicare.

But again, at Elon Musk's direction, House Republicans pulled the bipartisan agreement, leaving these important, bipartisan solutions on the cutting room floor. And now, two weeks away from the continuing resolution expiring, Chairman Carter says he's going to bring up the package with PBMs again. But I have to be honest, I'm only going to believe it when I see it, right? It's more likely that you have some plan and Elon Musk waves his magic wand once again and that's the end of PBM reform. It might sound cynical, but I saw it happen. And that's what I think is going to happen again. But we're ready to work with you on PBM reform and try to pass this entire package again – but I'll believe it when I see it.

And with that I yield back the balance of my time.