



Employers' Prescription for Affordable Drugs

STATEMENT FOR
U.S. HOUSE OF REPRESENTATIVES
ENERGY AND COMMERCE COMMITTEE
SUBCOMMITTEE ON HEALTH

EmployersRx is a nationwide effort led by the Purchaser Business Group on Health (PBGH) that includes 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. Our members share a common goal – to bring more transparency and accountability to health care, ensuring employers and their employees are empowered by information.

We applaud the Subcommittee on Health for its work leading to today's markup of several measures designed to address policy issues that employers have long been concerned about regarding anti-competitive practices, consolidation, and lack of transparency in health care.

However, among the good policies being advanced today we do have grave concerns and therefore **strongly oppose** H.R. 3285, the *Fairness for Patient Medications Act* (Rep. Morgan Griffith (R-VA)), establishing limitations on deductibles and cost-sharing for highly rebated drugs. For employers, the cost of providing health benefits is quickly becoming untenable, and this policy if enacted would have a significant impact on employers' ability to continue to offer low cost, high value health care benefits for their workers and their beneficiaries. As such, we urge Members to vote **"no"** on this bill.

Despite our opposition of H.R. 3285, we welcome and commend the Chair and Ranking Member for their work and commitment to bring more transparency and accountability to the overall healthcare system, as evidenced by several policies reflected in legislation being voted on by the Subcommittee. These include much needed relief from dishonest billing practices, misaligned payment incentives such as site neutral policies that lead to consolidation (although additional site neutral policies are crucial to these efforts), and greater and more standardized health plan and hospital price transparency with stronger penalties. We applaud your work to tackle these challenges as they address several reforms required to ensure employers can continue to be good stewards of the healthcare benefits they provide for their employees and their families. We strongly urge Members to **support** these policies as legislation moves forward in Congress.

While we support efforts that increase transparency, one lesson employers know all too well is that transparency for transparency's sake is never enough; and its inadequate when it comes to oversight and accountability. This is particularly applicable when it comes to pharmacy benefit managers (PBMs). We do appreciate the Subcommittee for recognizing the importance of PBM transparency, and we offer to serve as a resource and want to work with you moving forward to make policy improvements to H.R. 2679, the *PBM Accountability Act* (Rep. Ann Kuster (D-NH)). However, numerous important reforms are missing. For example, the bill does not adequately address drug rebates which is a major concern among employers. Nor do we believe the proposal sufficiently addresses concerns about the creation and offshoring of group purchasing organizations and rebate contracting or aggregators by some PBMs.

This is just illustrative of some of the missing provisions; as the primary customers of PBMs, we would welcome the opportunity to provide more detailed views of our priorities for PBM reform. In fact, nearly 40 employer and business groups have identified important core tenets for meaningful PBM transparency and accountability reforms this year (see attached letter). We look forward to working with you to incorporate policies to reflect these principles as you advance PBM legislation.

Sincerely,

Purchaser Business Group on Health

National Alliance of Healthcare Purchaser Coalitions

The ERISA Industry Committee (ERIC)

American Benefits Council

Silicon Valley Employers Forum

HR Policy Association

Small Business Majority