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Senate Committee on Health, Education, Labor, and Pensions
428 Senate Dirksen Office Building
Washington, D.C. 20510

Dear Senator,

On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I ask that you reject increased government control over healthcare by opposing [S. 1339](#), the Pharmacy Benefit Manager Reform Act, when it is considered in an executive session of the Senate Committee on Health, Education, Labor, and Pensions on Tuesday, May 2, 2023. CCAGW has [expressed](#) its opposition to provisions similar to S. 1339 that were included in [S.1895](#), the Lower Health Care Costs Act.

S. 1339 will undermine pharmacy benefit managers (PBMs) and their ability to effectively lower costs for patients. PBMs administer drug plans for more than [275 million](#) Americans who obtain their health insurance from employers, unions, state governments, insurers, and other entities. The number of participants continue to grow annually due to the popularity of PBMs and the lower priced drugs they provide. PBMs save an average of [\\$1,040](#) per payer and patient per year. They provide their customers with 40 to 50 percent savings on prescription drugs and related medical costs. PBMs utilize a variety of tools to lower prices like rebates, pharmacy networks, drug utilization review, formularies, specialty pharmacies, mail-order, and audits to drive down drug costs, improve quality, increase patient medication adherence, and prevent fraud. PBMs are able to lower costs for patients by negotiating on behalf of large groups they serve; the savings are then passed onto health plan sponsors and patients.

S. 1339 will interfere with the private contracts that are made with PBMs by imposing burdensome transparency and pricing requirements. The disclosure of proprietary and sensitive information beyond the existing transparency requirements is anti-competitive and will ultimately harm the consumer. Exposing privately negotiated agreements will increase rather than decrease costs. Price controls and overregulation never reduce costs for any product or commodity.

S. 1339 also interferes with a PBM's ability to lower prices by altering and restricting spread pricing, administration fees, and rebates. Further inserting government into private healthcare only discourages competition and options for patients. Supporting S. 1339 also opens the door further to government-run healthcare and socialized medicine. Senators who believe in free markets should not support this legislation. Again, I ask that you oppose S. 1339.

Sincerely,

Tom Schatz