

Statement for the Record

Submitted to the U.S. House Committee on Education and the
Workforce

Subcommittee on Health, Employment, Labor, and Pensions

Hearing: “Profits Over Patients: The PBM Business Model Under
Scrutiny”

April 22, 2026

Submitted by:

National Association of Benefits and Insurance Professionals
(NABIP)

Chairman Allen, Ranking Member, and Members of the Subcommittee:

On behalf of the National Association of Benefits and Insurance Professionals (NABIP), thank you for the opportunity to submit this statement for the record for the Subcommittee’s hearing titled “Profits Over Patients: The PBM Business Model Under Scrutiny.” We appreciate Chairman Allen’s leadership in convening this important hearing and bringing attention to the role pharmacy benefit managers (PBMs) play in the cost and delivery of prescription drugs.

NABIP represents licensed health insurance brokers and agents who serve individuals, families, and employers across the country. Our members work directly with employer plan sponsors to design, implement, and manage health benefits, including prescription drug coverage. As such, they have a front-line view of the challenges posed by rising drug costs and the complexity of the prescription drug supply chain.

We share the Subcommittee’s concern that a lack of transparency and misaligned incentives within the PBM marketplace can contribute to higher costs and limit options for employers and patients. At the same time, it is important to recognize that PBMs can play a constructive role in negotiating drug prices, managing formularies, and helping control overall spending. The issue before policymakers is not whether PBMs should exist, but

whether the current market structure promotes transparency, accountability, and meaningful competition.

Congress has already taken significant bipartisan action to address these concerns. The Consolidated Appropriations Act of 2026 represents a major step forward in increasing transparency and accountability in the prescription drug supply chain. The law clarifies that PBMs and third-party administrators are subject to ERISA compensation disclosure requirements, mandates comprehensive reporting on drug pricing and plan spending, and requires that 100 percent of rebates and related remuneration be passed through to employer-sponsored health plans. NABIP strongly supports these reforms and commends Congressional leadership, including this Subcommittee, for advancing long-overdue PBM transparency legislation.

These reforms will provide brokers and employer plan sponsors with critical tools to better understand prescription drug costs, evaluate PBM services, and make more informed decisions. Brokers must be able to effectively shop the market and identify the best services and solutions for their clients. Transparency is essential to that process.

However, transparency alone will not fully address the challenges in the PBM marketplace if structural barriers continue to limit competition. Today, a significant share of the PBM market is controlled by large, vertically integrated health care organizations that also own insurers, pharmacies, and other entities within the supply chain. This level of consolidation can restrict access to alternative PBM models and reduce the ability of employers and their advisors to consider a full range of options.

Brokers and employers consistently express a desire for greater choice in the marketplace. NABIP has seen this firsthand. In 2025, we convened a panel discussion that included entrepreneur Mark Cuban and several independent PBMs to examine innovative approaches to prescription drug pricing and benefit design. The discussion highlighted the emergence of new models that emphasize transparency and cost savings, but also underscored the challenges these entities face in competing within a system that is not structured to facilitate open competition.

We appreciate the Subcommittee's interest in addressing potential conflicts of interest in PBM contracting, including through proposals such as the *PBM Kickback Prohibition Act*. NABIP supports efforts to ensure that decisions affecting employer-sponsored health plans are made in the best interest of plan sponsors and participants. At the same time, we encourage careful consideration of how broadly defined prohibitions on compensation could interact with existing, fully disclosed arrangements and whether they may unintentionally limit flexibility for employers and their advisors.

Prohibiting compensation to brokers for the marketing, implementation, and ongoing support of an employer's PBM plan could lead to several adverse impacts requiring careful consideration prior to proceeding. Brokers regularly serve as the primary resource for employers seeking to compare PBM pricing models, contract terms, and service guarantees. Limiting their ability to be compensated for these services, particularly under fully disclosed arrangements where potential conflicts are better illustrated, may reduce PBM competition, narrow the range of options realistically available to employers, and shift advisory costs directly onto plan sponsors. These impacts are likely to be felt most acutely by small and mid-sized employers, while potentially reinforcing the market position of large, vertically integrated PBMs.

As Congress continues to examine the PBM marketplace, we believe the most effective approach is to build on the framework already established in the Consolidated Appropriations Act of 2026. Policies that emphasize transparency, fiduciary responsibility, and strong enforcement, while also promoting competition and expanding the range of viable PBM options, will best serve employers and patients.

In closing, NABIP members are committed to helping employers navigate an increasingly complex health care system. To do so effectively, they need access to clear and actionable information, the ability to compare competing service providers, and a marketplace that supports innovation and choice. We look forward to working with Chairman Allen, the Subcommittee, and Congress to advance policies that improve transparency, strengthen competition, and ultimately reduce prescription drug costs.

Thank you for your consideration.

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