August 17, 2026

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Re: Request for Information - Commonsense Policy Options to Lower Drug Prices for Patients

Dear Ranking Member Wyden and Members of the Senate Finance Committee:

On behalf of the National Association of Benefits and Insurance Professionals (NABIP), thank you for the opportunity to respond to the Committee minority staff's Request for Information (RFI) on policy options to lower prescription-drug prices and improve affordability for patients.

NABIP represents more than 100,000 licensed health insurance agents, brokers, general agents, consultants, and benefits professionals. Our members assist individuals, families, Medicare beneficiaries, and employers in selecting, administering, and using health coverage. Through their direct work with Medicare beneficiaries, NABIP members see how prescription-drug prices, premiums, formularies, utilization-management requirements, pharmacy networks, and plan availability collectively determine whether coverage is truly affordable and accessible.

The RFI presents a broad set of proposals addressing manufacturer prices, patient out-of-pocket costs, Medicare Part D premiums, pharmacy benefit manager (PBM) incentives, vertical integration, and biopharmaceutical innovation. NABIP's comments focus principally on the Medicare Part D and prescription-drug supply-chain issues where our members have the most direct experience and where NABIP has an established public policy record.

Complement PBM Reforms Enacted in the Consolidated Appropriations Act, 2026

NABIP appreciates the bipartisan work of the Senate Finance Committee and Congress to enact the prescription-drug provisions included in the **Consolidated Appropriations Act, 2026**. These reforms represent an important step toward greater transparency,

competition, and accountability in both Medicare Part D and employer-sponsored coverage.

Beginning with plan year 2028, the law requires rebates, discounts, and other manufacturer price concessions to be fully passed through to Part D plan sponsors; establishes extensive PBM reporting requirements; requires information about affiliated pharmacies, formularies, gross and net drug spending, and retained compensation; and gives plan sponsors new audit rights.

The law also establishes more extensive PBM reporting and rebate-pass-through requirements for employer-sponsored plans. NABIP publicly applauded these provisions and has emphasized the need to ensure that the reforms are implemented as intended and then built upon through additional policies that promote transparency, affordability, and competition.

Any additional legislation should complement these requirements rather than impose conflicting definitions, reporting periods, or data formats. Plans, regulators, and beneficiaries will benefit most when new information can be analyzed together as part of a coherent accountability framework.

Preserve Part D Premium Stability and Meaningful Choice

NABIP strongly agrees with the RFI that competition and plan availability in the stand-alone prescription drug plan market are essential to preserving Traditional Medicare as a viable coverage option.

Stand-alone prescription drug plans (PDPs) operate under different financial conditions than Medicare Advantage prescription drug plans (MA-PDs). MA-PDs may use Medicare Advantage rebate dollars to reduce Part D premiums or enhance drug benefits, while stand-alone plans do not have access to the same source of funding. The RFI appropriately asks whether Congress should address this imbalance through policy changes to the program.

NABIP has repeatedly raised concerns about rising premiums, declining stand-alone plan availability, narrower formularies, and instability that can make Traditional Medicare less attractive or less practical for some beneficiaries. NABIP recently expressed concern that CMS's decision to discontinue the Part D Premium Stabilization

Demonstration could add further uncertainty to the stand-alone market and result in higher costs or fewer choices for some beneficiaries.

Medicare beneficiaries should not feel compelled to enroll in Medicare Advantage solely because stand-alone drug coverage has become less affordable or less available. Traditional Medicare paired with a stand-alone PDP must remain a meaningful option, not merely a theoretical one.

NABIP therefore supports the development of a durable Part D stabilization strategy. Before choosing among the structural options presented in the RFI, the Committee should require CMS and the Congressional Budget Office to model how any proposal would affect:

- Stand-alone PDP premiums and plan participation.
- Differences between MA-PD and PDP bids.
- Beneficiary choice under Traditional Medicare.
- Formularies and pharmacy networks.
- Manufacturer, plan, and federal liability.
- Federal reinsurance and other Part D subsidies.
- Competition in rural and underserved areas.

The goal should be to maintain a competitive, sustainable stand-alone market in which beneficiaries have adequate choices and can select coverage based on their healthcare needs rather than being driven into another coverage model by instability in the PDP market.

Lower Out-of-Pocket Costs Without Undermining Coverage Stability

NABIP supports the RFI's overall objective of making necessary medications more affordable for Medicare beneficiaries. NABIP previously supported the spirit of the Inflation Reduction Act's Medicare drug provisions and specifically welcomed reduced beneficiary costs for insulin, vaccines, and other commonly used treatments.

The Committee should nevertheless evaluate affordability across the beneficiary's entire coverage experience. A policy that reduces cost sharing or caps the out-of-pocket costs for a particular drug may not improve overall affordability if it also produces substantially higher premiums, more restrictive formularies, fewer plan choices, or reduced pharmacy access.

For that reason, proposals to establish additional out-of-pocket caps for chronic-care medications or medications under Parts A and B should include a comprehensive analysis of who ultimately assumes the burden and impact on the program. The Committee should assess how each proposal would affect federal spending, premiums, formularies, utilization-management requirements, plan participation, and manufacturer liability.

The RFI also asks whether beneficiary cost sharing should be calculated using net rather than list prices. NABIP supports examining mechanisms that more closely align beneficiary costs with the actual economics of the drug. Beneficiaries should not be required to pay coinsurance based on an inflated price when the plan or PBM ultimately receives substantial rebates, discounts, or other remuneration.

At the same time, “net price” must be clearly and consistently defined. Any net-price cost-sharing policy should account for all relevant rebates, discounts, fees, spreads, markups, and affiliated-entity revenue. It should produce savings at the point of sale and should not require beneficiaries to wait for retrospective reconciliation or reimbursement. The Committee should also guard against formulary changes designed to offset the reduced cost sharing.

Protect Formulary and Pharmacy Access

Lower drug prices provide little benefit if beneficiaries cannot obtain the medications their clinicians prescribe.

NABIP has previously urged the Senate Finance Committee to address disruptive formulary changes by prohibiting materially adverse midyear changes. NABIP members have seen beneficiaries select a plan based on its coverage of their prescriptions, only to confront later formulary restrictions, utilization-management requirements, or cost changes that substantially alter the value of that coverage.

Congress may consider providing a clear Special Enrollment Period when a significant and materially adverse formulary change, pharmacy-network disruption, or repeated inability to access a covered drug substantially changes the coverage on which the beneficiary relied when enrolling.

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Hold PBMs Accountable for Total Net Effective Cost

NABIP supports PBM reforms that promote transparency, competition, accountability, and aligned incentives. NABIP has publicly called for disclosure of rebates, fees, spread pricing, and affiliated entities; access to prescription-drug claims information; and action against opaque contracting practices that prevent meaningful evaluation of formulary and pricing decisions. NABIP has also joined a broad coalition supporting a ban on spread pricing, full pass-through of manufacturer payments, and delinking PBM profits from drug list prices.

The RFI correctly questions whether a rebate guarantee is an adequate measure of PBM performance. A large rebate does not necessarily mean that a formulary favors the least expensive clinically appropriate product. A higher-list-price product may generate a larger rebate while still producing a higher total cost for beneficiaries, plans, and Medicare.

PBMs and plan sponsors should therefore be evaluated using **net effective cost**, encompassing all economic components of the transaction, including:

- Manufacturer rebates and discounts.
- Administrative and service fees.
- Spread pricing and pharmacy reimbursement differences.
- Drug acquisition and dispensing margins.
- Data-sale and rebate-aggregator revenue.
- Private-label drug markups.
- Payments retained by affiliated pharmacies and other related entities.
- Other direct or indirect remuneration.

Increase Oversight of Private-Label Drugs and Vertically Integrated Entities

The RFI raises significant concerns about PBM-owned private-label drugs and vertically integrated organizations. It asks whether PBMs should disclose the difference between a private label's acquisition cost and the price charged to Part D plans, or whether Medicare should impose a cost-plus requirement for PBM-owned private-label products. It also asks whether CMS should account for broader enterprise margins when reviewing the bids of vertically integrated Part D sponsors.

These concerns align with NABIP's longstanding position that vertical integration can reduce competition, obscure financial relationships, and limit plan sponsors' and advisors' ability to evaluate alternatives. NABIP has therefore supported greater disclosure of affiliated entities.

Eliminate Contractual Barriers to Competition and Direct Negotiation

The RFI asks whether Congress should regulate or prohibit "exclusive negotiator" and non-solicitation clauses that prevent plans and manufacturers from communicating about direct discounts or alternative purchasing arrangements.

NABIP supports protecting genuinely proprietary information, but confidentiality provisions should not function as anti-competitive gag clauses. A PBM contract should not prevent a plan sponsor from:

- Obtaining complete information about its own prescription-drug spending.
- Understanding the compensation received by its PBM and affiliated entities.
- Comparing alternative PBM, pharmacy, or purchasing arrangements.
- Communicating with manufacturers or other market participants.
- Evaluating direct contracting, subscription, value-based, or other lawful arrangements.
- Using an independent auditor or authorized advisor.
- Fulfilling fiduciary, contractual, or regulatory responsibilities.

NABIP supports federal guardrails prohibiting contract provisions whose primary effect is to prevent plan sponsors from evaluating or pursuing lower-cost arrangements. Any confidentiality exception should be narrowly tailored to protect specific proprietary terms and should not prohibit communication, comparison, oversight, or the use of aggregated information.

Conclusion

NABIP appreciates the Senate Finance Committee's continued attention to prescription-drug affordability and the opportunity to provide feedback. The Committee should build upon the bipartisan reforms enacted in the Consolidated Appropriations Act, 2026 and focus its next steps on policies that produce measurable savings while protecting beneficiary access, coverage stability, and meaningful choice.

NABIP respectfully recommends that the Committee:

1. Develop a durable strategy for stand-alone Part D premium stability.
2. Evaluate any proposed out-of-pocket caps across the full Part D benefit, including their effects on premiums, formularies, plan participation, and pharmacy access.
3. Protect beneficiaries from disruptive formulary changes and inappropriate prescription rejections, including stronger Plan Finder information, expedited appeals, and narrowly-defined Special Enrollment Period protections.
4. Measure PBM performance according to total net effective cost rather than rebate volume, with all fees, spreads, markups, and affiliate revenue included.
5. Prohibit contractual practices that prevent plans from accessing their information, evaluating alternatives, or pursuing lawful lower-cost arrangements.

Affordability should not be measured through the price of a single prescription or one element of benefit design alone. Medicare beneficiaries need affordable medications, stable premiums, dependable formularies, sufficient plan choices, accessible pharmacies, and clear information to make informed decisions. NABIP and its members stand ready to work with the Committee to advance reforms that achieve these objectives while strengthening the long-term sustainability of Medicare.

Sincerely,

Michael Andel
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National Association of Benefits and Insurance Professionals