

August 26, 2025

The Honorable Keith E. Sonderling  
Deputy Secretary of Labor  
US Department of Labor  
200 Constitution Ave NW  
Washington, DC 20210

Dear Deputy Secretary Sonderling,

On behalf of the undersigned organizations representing America's employers, patients, consumers, and healthcare providers, we write in strong and united support for the Department of Labor (DOL) to swiftly promulgate robust regulations reforming the practices of pharmacy benefit managers (PBMs). The President's April 15 Executive Order on prescription drug costs presents a critical opportunity to advance meaningful, impactful reforms that give American employers and consumers clear insight into how PBMs generate their record-breaking profits — including reasonable disclosures of rebates, fees, and other forms of compensation — and to ensure that this information is disclosed in a timely and reasonable manner to consumers, employers, and plan sponsors.

PBMs play an increasingly influential role in not only the prescription drug supply chain but also the healthcare supply chain due to their vertically integrated and concentrated structure. According to the Federal Trade Commission, the six largest PBMs manage nearly 95 percent of all prescriptions filled in the United States.<sup>1</sup> As their influence has increased, so have their opaque business practices, complex rebate arrangements, and lack of transparency in compensation models. The Senate Finance Committee's bipartisan investigation found that PBMs leveraged their market power and used tools like formulary exclusion to secure large rebates and fees tied to list insulin prices, creating incentives that kept prices high and left patients paying more out of pocket.<sup>2</sup> In practice, PBM tactics drive up costs for employers, reduce affordability for patients, and create barriers to accessing needed medications, ultimately undermining the goals of employer-sponsored health coverage.

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<sup>1</sup> Federal Trade Commission, *Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies* (July 2024).

<sup>2</sup> United States Senate Committee on Finance, Staff Report, *Insulin: Examining the Factors Driving the Rising Cost of a Century Old Drug* (Jan. 2021).

We urge the Department to seize this opportunity to deliver meaningful reform by regulating PBM arrangements with plan sponsors in the following ways:

- **Require meaningful transparency** of PBM compensation from all sources, including rebates, fees, and other remuneration, and mandating timely disclosure.
- **Prohibit spread pricing** and other practices that inflate costs between what PBMs charge plan sponsors and what they pay pharmacies, and ensure simple, single administrative PBM fees.
- **Separate PBM compensation from the cost of medication**, therefore disincentivizing PBMs favoritism of high-cost medications.
- **Require PBMs to pass savings directly to patients** so they benefit from more affordable out-of-pocket costs.
- **Remove medication barriers** so PBMs do not limit access to the medicines doctors prescribe.

The President's Executive Order recognized that prescription drug costs remain a top concern of this Administration, all while President Trump has promised to "knock out the middleman" from the supply chain. DOL's advancement of meaningful PBM reform is essential to addressing this challenge. Employers — who provide health coverage to over 160 million Americans — together with patients, consumers, and healthcare providers, stand ready to support DOL in finalizing strong, enforceable rules that bring fairness, accountability, and transparency to the PBM sector.

We believe this is a historic opportunity to realign the prescription drug marketplace so that it works for the people it is intended to serve — patients and plan sponsors — not PBMs. Prompt and decisive action by the Department will help ensure that the promise of the April 15 Executive Order is fully realized.

Thank you for your leadership on this critical issue. We look forward to working with you to advance meaningful PBM reform that lowers costs, increases transparency, and improves access to care for all Americans.

Sincerely,

National Consumers League  
A. Philip Randolph Institute  
Alliance for Transparent & Affordable Prescriptions

American Economic Liberties Project  
American Gastroenterological Association  
American Partnership For Eosinophilic Disorders  
America's Agenda  
Arthritis & Osteoporosis Center of SW Ohio  
Chronic Care Policy Alliance  
Coalition of State Rheumatology Organizations  
Community Access National Network  
Community Oncology Alliance (COA)  
Consumer Action  
Diabetes Leadership Council  
Diabetes Patient Advocacy Coalition  
HIV+Hepatitis Policy Institute  
Infusion Access Foundation  
Let My Doctors Decide Action Network  
MANA, A National Latina Organization  
Mountain State Medicine & Rheumatology, PLLC  
National Association of Manufacturers  
National Community Pharmacists Association (NCPA)  
National Infusion Center Association (NICA)  
NORM  
Oncology Nursing Society  
Organization for Latino Health Advocacy  
Partnership for Innovation and Empowerment  
Partnership to Fight Chronic Disease  
PBM Accountability Project  
Pharmaceutical Industry Labor-Management Association (PILMA)  
Southern Christian Leadership Global Policy Initiative  
State Of West Virginia Rheumatology Society  
Transparency-Rx  
Women Impacting Public Policy