



## NATIONAL CONSUMERS LEAGUE

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January 22, 2026

### Re: Written Comments for the Hearings with Insurance Company CEOs

Dear Chairman Guthrie, Chairman Smith, and members of the Committees:

The National Consumers League (NCL), America's oldest consumer advocacy organization, appreciates the opportunity to submit comments in advance of the Committees' hearings with health insurance company CEOs. Given rising healthcare costs, including premiums for coverage purchased through employers and the ACA marketplace, NCL remains deeply concerned that healthcare access is increasingly being put out of reach for American families. As part of these hearings, we urge the Committees to closely examine how vertical integration and certain insurance practices undermine affordability for consumers.

### **Vertical Integration Weakens Competition and Consumer Choice**

Major healthcare conglomerates control a significant portion of the prescription drug marketplace, creating a system in which a single corporation often owns a health insurer, a pharmacy benefit manager (PBM), and retail and specialty pharmacies.

Parent/Owner	CVS Health Corporation	The Cigna Group	UnitedHealth Group Inc.	Humana Inc.	MedImpact Holdings Inc.	19 BlueCross BlueShield plans
Drug Private Labeler	Cordavis Limited	Quallent Pharmaceuticals	NUVAILA			
Health Care Provider	MinuteClinic, Signify Health	Evernorth Care Group	Optum Health	CenterWell		
Pharmacy Benefit Manager	 34%  23%  22%  7%  5%  3%					
"PBM GPO"/ Rebate Aggregator	Zinc Health Services	Ascent Health Services	Emisar Pharma Services	Ascent (via contract)	Prescient Holdings Group LLC	Ascent (minority owner)
Pharmacy - Retail	CVS Pharmacy					
Pharmacy - Mail Order	CVS Caremark Mail Service Pharmacy	Express Scripts Pharmacy	Optum Rx Mail Service Pharmacy	CenterWell Pharmacy	Birdi, Inc.	Express Scripts Pharmacy (via contract)
Pharmacy - Specialty	CVS Specialty Pharmacy	Accredo	Optum Specialty Pharmacy	CenterWell Specialty Pharmacy	Specialty by Birdi	Accredo (via contract)
Health Insurer	Aetna	Cigna Healthcare	UnitedHealthcare	Humana		19 BlueCross BlueShield plans

Source: Federal Trade Commission, *Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies, Interim Staff Report* (July 2024)



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This structure gives the company control over nearly every step of a patient's prescription care: the insurer decides coverage and cost-sharing, the PBM negotiates drug prices and manages formularies, and affiliated pharmacies dispense the medications. They can steer patients toward their own network, favor certain drugs, and set pricing in ways that prioritize corporate profit over patient health.

PBMs provide a striking example of how vertical integration and consolidation in the healthcare market can give a single company outsized influence over patient care and costs. According to the Federal Trade Commission, as a result of consolidation, the six largest PBMs manage nearly 95 percent of all prescriptions filled in the United States.<sup>1</sup> As their influence has grown, so have their opaque business practices, complex rebate arrangements, and lack of transparency in compensation models. For example, 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 and create barriers to accessing needed medications, ultimately undermining the goals of insurance coverage.

### **Insurance Practices Undermine Affordability and Access for Patients**

Misaligned incentives also shape insurer and PBM use of restrictive practices such as step therapy and prior authorization, which frequently delay care and can create unnecessary barriers to medically appropriate treatment. While these tools are often justified as cost-containment measures, they can place patients' health at risk. One study found that 40 percent of patients discontinued medications they were required to step through because the drugs did not work.<sup>3</sup> Nonadherence results in worse health outcomes, including as much as 50 percent of treatment failures, approximately 125,000 deaths, and up to 25 percent of hospitalizations annually in the United States.<sup>4</sup>

<sup>1</sup> [FTC Releases Interim Staff Report on Prescription Drug Middlemen | Federal Trade Commission](#)

<sup>2</sup> [\[2021-01-14\] Grassley, Wyden Release Insulin Investigation, Uncovering Business Practices Between Drug Companies and PBMs That Keep Prices High | The United States Senate Committee on Finance](#)

<sup>3</sup> [How Prior Authorization, Step Therapy Result in Medication Discontinuation and Worse Outcomes | AJMC](#)

<sup>4</sup> [Medication Adherence: The Elephant in the Room](#)



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Financial barriers can compound these clinical hurdles. Copay assistance programs are intended to help patients afford high-cost medications, yet many insurers and PBMs exclude this assistance from counting toward patient cost-sharing obligations, allowing plans to retain the benefit rather than patients. In 2024, an estimated 43 percent of commercial insurers used copay accumulator programs.<sup>5</sup>

As Congress continues its work to address rising healthcare costs, NCL urges the Committees to:

- Enact comprehensive PBM reform to promote transparency, fair competition, and affordability for patients and employers.
- Ensure insurance benefit designs do not delay or obstruct access to medically necessary care, particularly when utilization management tools are not clinically appropriate, such as by passing the bipartisan Safe Step Act (H.R. 5509).
- Protect patients from bearing higher out-of-pocket costs when assistance is available to help them afford essential medications by enacting the bipartisan Help Lower Patient Copays Act (H.R. 6423).

NCL looks forward to working closely with the Committees to advance these common sense, bipartisan solutions. Swift action is essential to empower patients and build a healthcare system that is affordable, transparent, and puts the needs of patients first.

Sincerely,

Lisa Bercu  
Senior Director of Health Policy

Samantha Sears  
Senior Manager of Health Policy

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<sup>5</sup> [Two years after Court victory, patients still saddled with unaffordable drug costs | HIV+Hepatitis Policy Institute](#)