

Jay Timmons
President and CEO

November 7, 2023

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

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Crapo:

The National Association of Manufacturers is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs 13 million Americans and contributes \$2.9 trillion to the U.S. economy annually. Manufacturers pay workers more than 18% above the average for all businesses, and 91% of manufacturing employees were eligible for health insurance benefits in 2022.¹ Manufacturers are committed to providing health benefits, even as health care costs are a top challenge for the industry.²

Pharmacy benefit managers contribute to the skyrocketing cost of health care and drive up the cost of medicines. We appreciate the work Congress has done to address PBM reform and encourage continued efforts to achieve cost savings for America's workers and the prescription drug plans managed by employers. Accordingly, the NAM respectfully requests that members of Congress take timely action and advance legislation aimed at needed reforms to the PBM marketplace.

Manufacturers support reforms to the PBM model that achieve these goals:

- Increase transparency
- Ensure pharmaceutical savings are passed from the PBM to workers and plan sponsors
- Delink PBM compensation from the list price of medication

Congress must reform the PBM system so that employers and their employees can negotiate, compete and achieve profits and savings. Currently, the PBM market is rife with misaligned incentives and suffers from a lack of transparency as just three corporations control 80% of the marketplace.

¹ Kaiser Family Foundation, 2023 Employer Health Benefits Survey (Oct. 18, 2023), *available at* <https://www.kff.org/report-section/ehbs-2023-section-3-employee-coverage-eligibility-and-participation/>

² National Association of Manufacturers, Q3 2023 Manufacturers' Outlook Survey (Sept. 13, 2023), *available at* <https://nam.org/2023-third-quarter-manufacturers-outlook-survey/>

The NAM supports a market that rewards robust competition and innovation so plan sponsors and consumers fully understand their plan design and benefit from available savings.

Manufacturers look forward to working with you to build on these efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Timmons". The signature is fluid and cursive, with a large initial "J" and "T".

Jay Timmons
President and CEO
National Association of Manufacturers

Cc: Senate Leadership
House Leadership
Senate Committee on Health, Education, Labor and Pensions
Senate Committee on Commerce, Science and Transportation
House Committee on Ways and Means
House Committee on Energy and Commerce
House Committee on Education and the Workforce