



Founded 1889

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada

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The Honorable Mike Johnson
Speaker of the U.S. House of Representatives
568 Cannon House Office Building
Washington, DC 20515

The Honorable Senator Chuck Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Hakeem Jeffries
House Minority Leader
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Senator Mitch McConnell
Senate Minority Leader
317 Russell Senate Office Building
Washington, DC 20510

Dear Speaker Johnson, Leader Jeffries, Leader Schumer, and Leader McConnell,

As Congress returns to Washington for the remaining weeks of the legislative session, lawmakers have a critical opportunity to deliver meaningful reforms that will provide relief to millions of hardworking families struggling with high prescription drug costs.

As a labor union representing over 383,000 plumbers, fitters, pipeliners, sprinkler fitters, welders, and HVACR service techs, the United Association is dedicated to ensuring comprehensive and cost-effective health care benefits—including coverage for prescription medicines—remain available and affordable for our members and their families. For years, pharmacy benefit managers (PBMs) have stood in the way of this effort. Just three PBMs are responsible for filling 80% of all prescriptions in the U.S., and these middlemen have unchecked power to determine which medicines are covered on a health plan's formularies and how much of the savings patients and plan sponsors will receive. As a result, PBMs have pulled in record profits at the expense of plan sponsors and their members.

Over the last two years, Congress has made meaningful progress in advancing legislation to rein in PBMs' abusive and anticompetitive business practices. We now urge you to finish the job and prioritize PBM reform in the forthcoming end-of-year spending package. Specifically, we ask that the following provisions be included:

- **Delink PBM compensation from the price of drugs.** When PBMs are compensated based on a percentage of a medicine's price, it reduces their incentives to include lower-cost alternatives on their formularies. Requiring PBMs to only be paid a flat fee for the services they provide would remove these perverse incentives that distort prices and drive-up costs for patients and plan sponsors.





- **Require PBMs to share the savings they incur from manufacturer rebates by passing those savings on to patients and plan sponsors.** Like other large purchasers of health care coverage, our members rely on PBMs to negotiate discounts on prescription medicines—which usually come in the form of rebates from manufacturers. Yet, there are currently no safeguards in place to prevent these middlemen from retaining significant portions of the rebates for themselves.
- **Increase transparency in PBM pricing and compensation practices.** In order to evaluate whether PBMs are providing the value they promise, more transparency is needed. In particular, PBMs should be required to disclose any differences between the amounts paid to a pharmacy versus the amount charged to a plan sponsor. To the extent a PBM owns, controls, or is affiliated with a pharmacy, the PBM should be required to disclose to plan sponsors any differences in reimbursement rates or practices for a pharmacy owned, controlled, or affiliated with the PBM and any other pharmacy.

As you consider priorities for the final legislative package of the year, we urge you to make PBM reform a key part of this effort. The cost of inaction is too high. America's working families deserve affordable prescription medicines.

Thank you for your leadership and attention to this critical issue, and we look forward to working with you to get this much-needed reform across the finish line.

Sincerely,

Mark McManus
General President
United Association

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cc: Members of the Senate Finance and HELP Committees