

October 2, 2026

The Honorable Ron Wyden
Ranking Member, Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Re: Request for Information – Health Coverage That Works For Everyone

Dear Ranking Member Wyden and Members of the Senate Finance Committee Minority,

The Pharmaceutical Industry Labor-Management Association (PILMA) welcomes the opportunity to respond to the Committee's Request for Information on private insurance markets. PILMA is a nonprofit coalition of labor unions and biopharmaceutical manufacturers united by a shared commitment to the workers who build and sustain America's life sciences industry and to ensuring those workers have access to the healthcare they have earned. Our members negotiate health benefits and administer jointly trusted health plans, which depend on a functioning, fair insurance market.

When that market fails due to anticompetitive middleman practices, inadequate mental health coverage, or opaque pricing that conceals where dollars actually go, it is working families who bear the cost. We offer the following feedback with that perspective in mind.

PILMA's comments respond principally to what PILMA believes are the most critical aspects of the RFI's questions include those contained in Section II regarding network adequacy, prior authorization, and barriers to care, and in Section III regarding vertical integration, pharmacy benefit manager (PBM) and third-party administrator (TPA) practices, and transparency across private insurance markets.

Supply Chain Accountability, Vertical Integration, and Transparency

PILMA supports the Committee's interest in addressing the harmful impacts of vertical integration in the insurance industry. When the same corporate parent owns an insurer, PBM, pharmacy, provider group, or other healthcare business, financial incentives can influence which medicines are covered, which providers are included in a network, and where patients are directed to receive care. Greater transparency is needed to ensure these decisions serve patients rather than an affiliated company's bottom line.

PILMA has also long raised concerns about the unchecked power of PBMs and other middlemen in the prescription drug supply chain. Research examining spending on brand medicines found that more than half of every dollar went to insurers, PBMs, providers, and other entities in the supply chain.ⁱ Workers, employers, and plan sponsors deserve to understand where their healthcare dollars are going and whether negotiated savings are reaching the patients and plans they were intended to benefit.

PILMA applauds the Committee's bipartisan work on PBM reform as part of the 2026 Consolidated Appropriations Act and encourages Congress to build on that progress. PBM compensation should not be tied to a medicine's list price or structured to reward preference for higher-cost products. This reform should apply beyond Medicare Part D and extend to

the commercial market. To that end, health plans should receive clear information about rebates, fees, claims, and payments to affiliated companies.

Congress should also address practices that steer patients toward pharmacies or providers owned by the same company as their insurer or PBM. Patients should be able to use the provider, pharmacy, or treatment option that best meets their needs rather than being directed to an affiliated business because it is more profitable for the insurer.

While the CCA was a good step towards requiring disclosure of information that could help plan fiduciaries evaluate and quantify PBM performance, it still fails to address self-dealing in a constructive manner. Many of the functions PBMs provide involve discretionary decisions of the type which meet the definition of fiduciary under ERISA. Determinations of what drugs should be included on the plan's formulary, which pharmacies are included in the participating networks, and what reimbursement rates are paid to such vendors involve "discretionary authority and discretionary control over management of the Plan" which meet the definition of fiduciary as promulgated by the Department of Labor.

Service providers are generally not considered fiduciaries, however, in the context of the PBM industry, the number and variety of such decisions, as well as the complex relationships within their corporate partners, far exceed that of a typical service provider making prudent oversight impractical, if not impossible. One practical solution is to require that PBMs be declared fiduciaries. By doing so, the propensity towards steering customers, manipulating participating pharmacy networks to favor related corporations and constructing formularies based on higher list prices would be prohibited.

Similarly, transparency principles like those contained in the CCA should apply to TPAs serving self-insured and jointly-trusted health plans. These plans should have ready access to their own cost and claims data, a clear accounting of fees, compensation, and payments made to affiliated companies. That transparency would help ensure that the Taft-Hartley plans on which many PILMA members rely are using healthcare dollars in the best interests of workers and their families.

Mental Health Access, Network Adequacy, and Parity

Mental health is among the most urgent and personal illustrations of why a functioning insurance market matters. The construction sector has one of the highest suicide rates of any industry in the country – male construction workers die by suicide at a rate 65% higher than the average U.S. male worker.ⁱⁱ PILMA has made mental health a cornerstone of our work, bringing together our industry and union partners to provide support and resources to our members.

Despite federal parity requirements, workers and their families continue to encounter significant disparities in access to in-network mental health and substance use disorder services. Inadequate networks can mean longer waits, fewer available appointments, and higher costs when workers have no choice but to seek care outside their plan's network. An analysis of four large commercial insurers found disparities between access to in-network mental health and substance use disorder care and access to physical health care in 43 states.ⁱⁱⁱ

The Department of Labor's September 2026 guidance on parity enforcement^{iv} appropriately focuses enforcement on treatment restrictions, prior authorization, and network adequacy.

PILMA encourages the Committee to build on that framework by requiring plans to maintain adequate behavioral health networks, keep provider directories current, and demonstrate that workers can obtain timely in-network care. These commonsense protections would provide workers with greater confidence that their coverage will connect them to care when they need it.

PILMA also encourages Congress to examine prior authorization, step therapy, and other insurance practices that unnecessarily delay mental health or substance use disorder treatment. Plans should apply these requirements fairly and consistently, clearly explain adverse coverage decisions, and provide patients with timely appeals when care is denied. These protections should apply across both the fully-insured and self-insured markets.

The workers who build America's life sciences facilities have earned their healthcare benefits through hard work and collective bargaining. They deserve an insurance market that works for them and their families. PILMA stands ready to serve as a constructive partner as this work advances, and we would welcome the opportunity to provide additional detail at the Committee's convenience.

Respectfully submitted,

AJ Stokes



Executive Director,
Pharmaceutical Industry Labor-Management Association

ⁱ Berkeley Research Group. *The Pharmaceutical Supply Chain, 2013–2023*. January 2025. <https://www.thinkbrg.com/news/more-than-half-brand-medicine-spending-goes-to-supply-chain-middlemen-other-stakeholders/>

ⁱⁱ Suicide Rates by Industry and Occupation — National Violent Death Reporting System, 32 States, 2016 <https://www.cdc.gov/mmwr/volumes/69/wr/mm6903a1.htm>

ⁱⁱⁱ The Kennedy Forum. New insurer data reveals significant gaps to in-network mental health care and treatment for substance use disorders when compared to physical health. April 14, 2026. <https://www.thekennedyforum.org/press-releases/new-insurer-data-reveals-significant-gaps-to-in-network-mental-health-care-and-treatment-for-substance-use-disorders-when-compared-to-physical-health/>

^{iv} U.S. Department of Labor. Guiding Principles for EBSA's Enforcement of the Mental Health Parity and Addiction Equity Act's Nonquantitative Treatment Limitation Requirements. September 8, 2026. <https://beta.dol.gov/policy-regulations/reference-materials/guidance-searches/ebsa-field-assistance-bulletin-no-2026-03>