November 16, 2026

The Honorable Chuck Grassley
Chairman, Committee on the Judiciary
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Dick Durbin
Ranking Member, Committee on the Judiciary
711 Hart Senate Building
Washington, D.C. 20510

Re: Prescribing Sunshine: How Competition & Transparency Lower Prescription Drug Costs

Dear Chairman Grassley and Ranking Member Durbin:

On behalf of the Pharmaceutical Industry Labor-Management Association (PILMA) – a partnership between America's leading biopharmaceutical companies and the union workers who build and maintain their world-class research and manufacturing facilities – I write to express our strong support for today's hearing and to offer our perspective on the most consequential driver of prescription drug unaffordability facing American workers and their families.

PILMA represents a unique coalition. Our members negotiate health benefits and administer jointly trusteed Taft-Hartley health plans, which cover approximately 12.7 million union workers and their families – the pipefitters, electricians, ironworkers, and other skilled tradespeople who build the facilities where life-saving medicines are discovered and manufactured. When those plans are burdened by dysfunction and a lack of basic transparency in the prescription drug benefit system, working families bear the cost through higher premiums, reduced benefits, and out-of-pocket expenses that undermine the coverage they earned through collective bargaining.

The title of today's hearing – "Prescribing Sunshine" captures precisely the remedy that is most needed. Research shows that more than half of every dollar spent on brand medicines flows to insurers, pharmacy benefit managers (PBMs), and other supply chain intermediaries.[i] These middlemen operate with inadequate transparency, and their practices inflate costs for working families without adding a dollar of value to patient care.

PILMA commends Congress for securing passage of bipartisan PBM reform legislation as part of the 2026 Consolidated Appropriations Act (CCA). The CCA's de-linking of PBM compensation in Medicare Part D from drug list prices, establishing flat, predetermined fees rather than percentage-based arrangements that reward more expensive drugs, will provide meaningful relief to patients, and we are grateful for the bipartisan commitment it required.

But we believe these reforms should go further. We encourage Congress to build on this year's progress and consider the following policies:

- **Extend de-linking beyond Medicare Part D to the commercial market.** 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.

- **Ensure PBMs aren't steering patients toward their preferred pharmacies.** 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.

- **Prohibit PBM conflicts of interest and self-dealing.** PBMs make discretionary decisions – about which drugs appear on a formulary, which pharmacies are included in participating networks, and what reimbursement rates are paid – that directly determine what health plans, and their participants, pay for prescription drugs. Yet few meaningful checks govern how those decisions are made, leaving self-dealing and steering practices effectively unchecked. Congress should expressly prohibit the conflicts of interest that currently drive formulary construction toward higher-cost drugs, steer patients to affiliated pharmacies, and produce outcomes that benefit a corporate parent's bottom line rather than a patient's health.

- **Enact transparency principles – like those contained in the CCA – for third-party administrators serving self-insured and jointly-trusteed health plans.** Health plans should have full, ready access to their own cost and claims data, a clear accounting of all fees and compensation, and complete disclosure of payments made to affiliated companies. That transparency would help ensure that the Taft-Hartley plans many PILMA members rely on use healthcare dollars in the best interests of workers and their families.

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.

We urge the Committee to treat PBM and insurance reform as the top policy priority it is – both in this Congress and the next. We stand ready to serve as a constructive partner in this endeavor.

Thank you for your leadership and for the opportunity to contribute to this important conversation.

Respectfully submitted,

AJ Stokes



Executive Director,
Pharmaceutical Industry Labor-Management Association

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[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-middlemenother-stakeholders/