

Opening Statement of Rep. Rick Allen (R-GA)
Health, Employment, Labor, and Pensions Subcommittee
“Examining the Policies and Priorities of the Employee Benefits
Security Administration”

April 22, 2026

(As prepared for delivery)

Today’s hearing will examine pharmacy benefit managers, or PBMs, and the lucrative relationships they have with brokers and advisers who are trusted by employers for group health plan design and administration. PBMs act as third-party intermediaries in a drug supply chain that runs from drug manufacturers, through *Employee Retirement Income Security Act of 1974* (ERISA) plans, to about 90 million patients. In this role, PBMs wield enormous power over pricing, distribution, and whether a drug is accessible through a patient’s health plan.

Through a complex and often opaque system of rebates, administrative fees, and pricing mechanisms, PBMs are driving up costs—creating huge financial returns for themselves while prescription drug costs rise for the American worker and their employers. In the midst of this complexity, and perhaps because of it, many employers hire consultants or brokers to design their health care plans and help choose and monitor a PBM. Some of these brokers and consultants may be steering employers and sponsors to a particular PBM that, in turn, provides

consultants and brokers with significant kickbacks, all while the broker or consultant poses as a neutral, trusted advisor to the employer. There is little transparency around PBM pricing and practices, making it difficult to understand the full scope of these financial arrangements. Addressing this lack of transparency is critical to lowering costs. The Committee is taking steps to do just that. A key feature of President Trump's "Great Healthcare Plan" includes ending deceptive practices that enable PBMs to pay kickbacks to brokers and consultants, which raise drug prices.

Building on this effort, my bill, the *PBM Kickback Prohibition Act*, prohibits PBMs from paying kickbacks to brokers or consultants in exchange for steering health plans toward preferred PBMs.

Today we will hear from witnesses about the reliance on brokers and consultants in designing employer-sponsored health plans. And we will also hear how compensation arrangements tied to PBMs threaten the independence of their advice.

Bottom line: Americans are still stuck with skyrocketing health care costs after years of failed Biden-Harris policies. Now, the Committee and the Trump administration are taking action to bring down costs, restore accountability, and put patients—not special interests—in charge.