



Thomas A. Schatz, *President*
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ccagw.org

August 3, 2022

Select Committee on Health Care Reform
Texas House of Representatives
Texas Capitol
1100 Congress Ave
Austin, TX 78701

Dear Representative,

It has come to our attention that the Texas House Select Committee on Health Care Reform will have its first meeting on August 4, 2022. On behalf of 135,136 members and supporters of the Council of Citizens Against Government Waste (CCAGW) in Texas, I strongly urge you to remember that should more regulation of pharmacy benefit managers (PBMs) be discussed during the hearing that implementing unnecessary regulatory barriers undermines their effectiveness and harms patients.

PBMs save money for patients by negotiating lower prices for large groups. More than [266 million Americans](#) who obtain health coverage from their employers, unions, state government plans, and other sponsors rely on PBMs to administer their prescription drug plans. PBMs use rebates, pharmacy networks, drug utilization review, formularies, specialty pharmacies, mail-order, and audits to drive down drug costs, improve quality, increase patient medication adherence, and prevent fraud.

CCAGW has [continuously opposed](#) heavy-handed regulations against PBMs like those found in HB1919, which was enacted in 2021. Further restrictions on PBMs, like imposing pricing requirements or rate regulation, will limit their negotiating power, distort the medical marketplace, and cause harm to the customers they serve.

CCAGW [strongly urges](#) you and your colleagues on the committee to avoid further inserting the government into the healthcare system, which will result in [higher costs](#) for Texans. Instead, Texas legislators should increase the ability of employers and other entities that finance pharmaceutical benefits to have the flexibility they need to work with PBMs to provide quality service at competitive prices.

Sincerely,

Tom Schatz