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March 21, 2023

Senate Commerce, Science, and Transportation Committee  
254 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator,

You will be considering [S. 127](#), the Pharmacy Benefit Manager Transparency Act, on March 22, 2023. On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I urge you to oppose this legislation.

S. 127 would expand the Federal Trade Commission's (FTC) regulatory authority over pharmacy benefit managers (PBMs) and their privately agreed upon contracts. This would not only fail to reduce the cost of pharmaceuticals but also set a precedent to allow the FTC to set prices and regulate business practices for any industry. Such action by the agency would be concerning under any circumstances, but it is even more critical since FTC Chair Lina Khan overturned the decades-old consumer welfare standard and expanded the scope of the FTC's authority beyond its statutory limits.

Our objections to S. 127 were expressed in a March 7, 2023, *WasteWatcher* [blog post](#) and concerns over the FTC's Section 6(b) [investigation](#) of PBMs were provided in our May 25, 2022 [comments](#). The blog post stated, "PBMs administer drug plans for more than [275 million](#) Americans who obtain their health insurance from employers, unions, state governments, insurers, and other entities. The number of people PBMs serve year over year is consistently growing due to the popularity of PBMs and the lower priced drugs they provide. PBMs save an average of [\\$1,040](#) per payer and patient per year. They provide their customers with 40 to 50 percent savings on prescription drugs and related medical costs." The FTC comments noted that, "The perceived need for a new review of PBMs is puzzling since the FTC has previously and repeatedly determined that PBMs benefit consumer welfare and that restrictions on PBMs would be anticompetitive and raise prices." The comments cited additional support for the benefits of PBMs by both governmental and non-governmental sources.

The substitute amendment to S. 127, offered by Sen. Ted Cruz (R-Texas), would be better than the current language in the bill since it limits the regulatory expansion of the FTC into the healthcare industry and requires the FTC to focus on the consumer welfare standard during its investigation of PBMs. Again, I urge you to oppose S. 127.

Sincerely,

*Tom Schatz*