



NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

1630 Duke Street

Alexandria, Virginia 22314-3467

Phone: (703) 684-5545

Executive Committee

RONNIE W. STUTTS, *President*
DONALD L. MASTON, *Vice President*
THOMAS K. TURNER, *Secretary-Treasurer*
BRIDGET BOSEAK, *Director of Labor Relations*
SHIRLEY BAFFA, *Director of Steward Operations*

NICKY PHILLIPS, *Chairman*
P.O. Box 55
Bowdon, GA 30108-0055
(571) 232-2069

PATRICK A. PITTS
P.O. Box 821
Orting, WA 98360-0821
(509) 280-7444

Statement for the Record
House Oversight and Accountability Committee
The Role of Pharmacy Benefit Managers in Prescription Drug Markets
Part I: Self-Interest or Health Care?
May 23, 2023

JEANETTE P. DWYER
P.O. Box 25
Riegelwood, NC 28456-0025
(571) 228-1288

JOHN C. ADAMS
P.O. Box 203
Buckhannon, WV 26201-0203
(571) 451-3830

On behalf of rural letter carriers serving every Congressional district represented by members of this committee, we thank Chairman Comer and Ranking Member Raskin for the opportunity to submit this statement for the hearing record sharing our views on the role of pharmacy benefit managers (PBM) in the prescription drug market.

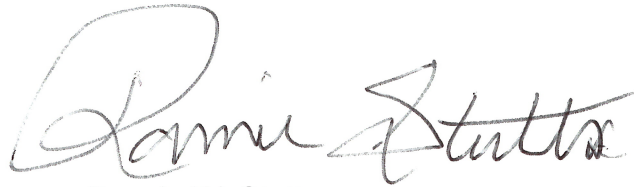
We write to express concerns about legislation currently advancing in Congress. We are concerned that this legislation would weaken the ability of employers and health plans, including multiemployer plans and unions, to deliver comprehensive and high-quality pharmacy benefits to their members and retirees by limiting the PBM contracting tools that unions rely on to provide generous and stable benefits to union members and retirees.

For example, some of the proposed changes would ban mechanisms used by employers and health plans to weather variations in utilization and pharmaceutical manufacturer's ever-increasing cost of prescription drugs. Other proposals would limit the purchasing power of PBMs and thus, the employers and health plans that hire them, leaving no one to hold manufacturer pricing in check or negotiate lower drug pricing. Worse still, changes to these contracting terms outside of a collective bargaining agreement will unfairly shift costs onto workers, as union plan sponsors cannot update benefits until the agreements have reached term.

Under the guise of curbing drug prices, these proposals would diminish our ability to create stable and uniform benefits and, in turn, could shift significant costs to our members. In particular, we believe these proposals will lead to greater instability and variability in costs to our membership dependent upon geographic region. These proposals erode the preemptive authority of the *Employer Retirement Income Security Act* (ERISA) that has enabled employers and health plans to provide uniform benefits for their members and retirees for the past nearly 40 years.

Many Americans rely on PBM home delivery of their prescription medications, for both convenience and value. Our members work tirelessly to ensure that millions of prescriptions are delivered on time every day to every mailbox for those in need. Studies have repeatedly shown that home delivery of medication can improve prescription adherence for patients, which can lead to less hospitalizations and lower healthcare costs.

Our pharmacy benefit management service provider is a critical partner and collaborates with us on a daily basis to lower prescription drug costs and increase accessibility to affordable medications for our members. We caution against proposals that would limit the services PBMs can offer to plan sponsors like us. As Congress and this Committee continue the grapple with the high costs of prescription drugs, we urge the Committee to carefully consider all ramifications of any changes on patients. Thank you again for this opportunity.

A handwritten signature in dark ink, reading "Ronnie Stutts". The signature is fluid and cursive, with the first name "Ronnie" written in a larger, more prominent script than the last name "Stutts".

Ronnie W. Stutts
President
National Rural Letter Carriers' Association