

# Congress of the United States

Washington, DC 20515

June 1, 2026

The Honorable Daniel Aronowitz Assistant Secretary  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington, DC 20210

Dear Assistant Secretary Aronowitz:

Earlier this year, Congress passed the *Consolidated Appropriations Act of 2026 (CAA)* with landmark reforms designed to rein in the abuses of pharmacy benefit managers (PBMs). The CAA represents years of bipartisan work to increase the accountability and transparency of PBMs' opaque business practices, which have contributed to rising costs and diminished access to medicines for American patients and employers.

The enactment of the CAA's provisions is a significant step toward increased PBM transparency. However, meaningful implementation will require active oversight and guidance from the Department of Labor (DOL) and the Employee Benefits Security Administration (EBSA). We write to urge EBSA to exercise its enhanced authority to give full effect to these reforms, as Congress intended.

Section 6702 of the CAA applies to health plans governed by the *Employee Retirement Income Security Act (ERISA)*, which covers the vast majority of private employer-sponsored health plans. Within this section, PBMs must pass 100 percent of rebates, fees, alternative discounts, and other financial payments they receive related to prescription drug use or spending back to the group health plan or to the issuer in order to meet the reasonableness standard for PBM compensation.

Today, PBMs receive compensation through an opaque range of indirect channels that have historically gone undisclosed to employers. The recently published notice of proposed rulemaking, "Improving Transparency Into Pharmacy Benefit Manager Fee Disclosure,"<sup>1</sup> seeks to shine light on these revenue streams, which include rebates, administrative fees, and price protection fees negotiated in exchange for formulary placement; spread pricing, copay clawbacks, etc. EBSA's proposed rule is an important step to addressing these forms of indirect compensation. EBSA can use its authority to ensure that only bona fide service fees which are transparent and quantifiable may be paid to PBMs as reasonable compensation, as intended in the CAA.

Robust implementation of the rebate pass-through requirement and the bona fide service fee standard will help ensure the following:

- PBMs no longer have a financial incentive to favor more expensive medicines over generics or biosimilars.
- Patients benefit from the rebates and discounts negotiated on their behalf.
- Employers and plan fiduciaries gain meaningful transparency into the compensation arrangements and services provided by their PBMs.

We commend EBSA's efforts in its proposed rule and urge it to build upon that foundation through implementation of section 6702 of the CAA. DOL should also consider additional guidance or rulemaking

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<sup>1</sup> 91 Fed. Reg. 10,033 (proposed Mar. 2, 2026).

under ERISA section 408(b)(2) to clarify that the reasonableness standard for PBM compensation requires that fees be tied exclusively to bona fide service fees.

We urge EBSA to use every tool at its disposal to translate this legislative intent into durable, enforceable standards. We welcome the opportunity to discuss these matters further and appreciate EBSA's continued partnership.

Sincerely,



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Rick W. Allen  
Member of Congress



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Lucy McBath  
Member of Congress



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Nicole Malliotakis  
Member of Congress



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Bradley Scott Schneider  
Member of Congress



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Mariannette J. Miller-Meeks, M.D.  
Member of Congress



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Nanette Diaz Barragán  
Member of Congress