NATIONAL ASSOCIATION OF Manufacturers

January 22, 2026

The Honorable Morgan Griffith
Chair
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Diana DeGette
Ranking Member
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Re: Lowering Health Care Costs for All Americans: An Examination of Health Insurance Affordability

Dear Chair Griffith and Ranking Member DeGette,

On behalf of the National Association of Manufacturers ("NAM") and the 13 million people who make things in America, thank you for holding today's hearing on health insurance affordability.

The NAM is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturers have a deep commitment to providing health benefits to their workers as it is an effective tool to attract and retain employees and to maintain a healthy and productive workforce, and because they believe it is the right thing to do for the workers who keep America and its economy strong. However, rising health care costs remain a top challenge for the industry. Seventy percent of manufacturers cited health care and insurance costs as their primary business concern in the NAM's most recent Manufacturers' Outlook Survey.[1] Increased costs are disproportionately impacting small and midsize manufacturers, with 77.3% of small (fewer than 50 employees) and 77.6% of medium (50 to 499 employees) companies identifying health care costs as their top concern. In the survey, 94% of manufacturers responded that they expected, or had already seen, an increase in health insurance premiums for 2026. Of those, 11% see premiums rising by more than 20%, an unsustainable increase that neither manufacturers nor manufacturing workers and their families can afford.[2] Despite this challenge, 95% of manufacturing employees are eligible for health insurance benefits, 80% of whom participate in a workplace plan, which underscores the urgent need for action to reduce health care costs for manufacturers and manufacturing workers alike.[3]

Manufacturers appreciate the Subcommittee's commitment to addressing health care affordability through this hearing, which is necessary to shed light on how insurance companies and their vertically integrated subsidiaries play a large role in driving up health care costs for hard-working Americans. The NAM has long advocated for much-needed reforms to bring down health care costs for manufacturers and put more money in workers' pockets:

[1] National Association of Manufacturers, Q4 2025 Manufacturers' Outlook Survey (December 17, 2025). Available at https://nam.org/wp-content/uploads/securepdfs/2025/12/NAM_Q4_2025_Outlook_Write_Up.pdf.
[2] Ibid
[3] Kaiser Family Foundation, *2025 Employer Health Benefits Survey* (Oct. 22, 2025). Available at https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2025-Annual-Survey.pdf

- Reform PBMs: PBMs are underregulated middlemen that design, negotiate, and administer prescription drug benefits on behalf of health insurance companies and employers that self-fund health insurance plans for their employees. PBMs contribute to the skyrocketing cost of health care by pocketing manufacturer rebates, tying patient cost-sharing to list prices, using spread pricing structures, and obfuscating their questionable business models. Necessary reforms include increased transparency requirements, the delinking of PBM compensation from the list price of medicines, and full rebate passthrough to plans and their beneficiaries in the commercial market. Manufacturers strongly support the PBM Reform Act (H.R. 4317), introduced by Representative Buddy Carter (R-GA-1), and the DRUG Act (H.R. 2214), introduced by Representative Mariannette Miller-Meeks (R-IA-1), and have long called for passage of the comprehensive reform package that was originally included in the December 2024 continuing resolution.

- Reform the 340B Program: The 340B program was created to provide lower cost medicines and expand care for low-income and underserved patients. Recently, it has rapidly and massively expanded beyond Congress's intent. As covered entities have taken advantage of the program to increase their profits, it has driven up the cost of employer-sponsored insurance ("ESI"). The 340B program allows covered entities to charge patients' insurance the full list price for drugs acquired at 340B prices, which results in patients and employers losing out on rebates and hospitals keeping the spread. The expansion of the 340B program was associated with approximately $23 billion in additional employer-based healthcare expenses in 2023, of which employees paid about $4.5 billion per year in added insurance premiums.[4] An IQVIA study also found that the 340B program increases drug costs for self-insured employers and their workers by 4.2% due to the lost manufacturer rebates on drugs purchased at the 340B price.[5] This corresponds to a $5.2 billion increase in health care costs for self-insured employers.[6] We encourage the Subcommittee to consider reforms to current fee structures, third party administrator behavior, sub-grantee eligibility, patient definition and child site eligibility, and the ways in which patients benefit from the program. Such reforms are needed to return the program to the intent with which Congress created it, while continuing to serve the population it was intended to.

- Expand Eligibility and Contribution Limits for HSAs: HSAs are personal tax-free savings accounts that patients with HDHPs can use to pay for out-of-pocket medical costs. HSAs provide greater flexibility and control over health care and health care costs for manufacturing workers. HSA funds do not expire and are not impacted by a change in employment. Last year, manufacturers supported congressional action to broaden HSA eligibility to include individuals that are covered under a direct primary care service arrangement in H.R. 1—a victory for manufacturers. However, additional reforms, including an increase in contribution limits and greater eligibility, are needed to give more people access to HSAs and to empower them to contribute more tax-free dollars for medical expenses. Manufacturers support the HSA Modernization Act (H.R. 548), introduced by Representative Beth Van Duyne (R-TX-24), and the Flexible Savings

[4] National Pharmaceutical Council, The 340B Drug Purchasing Program and Commercial Insurance Premiums. Available at https://www.npcnow.org/sites/default/files/2025-05/340B%20and%20Employer%20Costs%20White%20Paper.pdf
[5] IQVIA, The Cost of the 340B Program Part 1: Self-Insured Employers. Available at https://www.iqvia.com/locations/united-states/library/white-papers/the-cost-of-the-340b-program-part-1-self-insured-employers
[6] Ibid.

Arrangements for a Healthy Robust America Act (H.R. 2667), introduced by Representative Aaron Bean (R-FL-4), both of which would expand HSA access.

- Encourage Adoption of Individual Coverage Health Reimbursement Arrangements ("ICHRAs"): ICHRAs allow employers to provide tax-free reimbursements to employees for qualified medical expenses, such as monthly premiums and out-of-pocket costs, without offering traditional group health coverage. ICHRAs provide manufacturers financial predictability and flexibility, which is particularly useful for employers that have not previously offered health insurance. ICHRAs also give employees flexibility that enables them to choose the best health plan for them and their families. Depending on location, individual insurance market plans may even cost less than group market premiums. Manufacturers support the Small Business Health Options Awareness Act (H.R. 5498), introduced by Representative Beth Van Duyne (R-TX-24), to increase awareness and the Choice Arrangement Act (H.R. 5463), introduced by representative Kevin Hern (R-OK-1), to incentivize adoption of ICHRAs.

- Codify Association Health Plans ("AHPs"): AHPs allow multiple employers to join together to offer employer-provided group health insurance plans. AHPs provide the bargaining power of larger plans to all the small employers involved to purchase less-expensive health plans and negotiate better rates. Further, insurance companies are mandated to spend a smaller percentage of "large group" premiums on overhead and profit than they do on small group plans, which lowers costs. Manufacturers support the Association Health Plans Act (H.R. 2528), introduced by Representative Tim Walberg (R-MI-7), to codify AHPs.

- Improve Data Transparency and Accessibility: Administering high-quality, affordable health plans requires the collection and analysis of massive amounts of data, a task to which manufacturers dedicate significant resources. Thus, it is critical that employer plan sponsors have user-friendly access to their complete data to make informed choices about their plan's operations. Data gaps make it more difficult for employers to design the highest-quality plans for their workers and require permanent and comprehensive fixes. While health insurance claims data is valuable and readily available, manufacturers need access to additional data beyond claims in order to fully understand if outcomes and quality goals are being achieved. Comprehensive data would enable manufacturers to track and manage chronic conditions, and to measure if various programs emphasizing primary and preventive care are actually improving outcomes across the entire beneficiary population. Additionally, improved transparency, audit, and disclosure requirements between plan sponsors and vendors, if constructed in a way that does not add regulatory burdens for plan sponsors, can help make it easier for plan sponsors to fulfill their fiduciary requirements. Such transparency, specifically price transparency, benefits manufacturing employees' experience in the health care system and enables them to make more informed decisions about their care. Updates to the hospital and insurer pricing files mandated by the No Surprises Act, introduced by Representative Frank Pallone (D-NJ-6) in the 116th Congress, as well as transparency measures that were included in the Consolidated Appropriations Act of 2021 will make data more usable by plan sponsors, which will put better data in the hands of beneficiaries.

In addition to the above reforms, manufacturers encourage the Subcommittee to work closely with colleagues in Congress to strengthen the Employee Retirement Income Security Act of 1974 ("ERISA") and protect its preemption over a patchwork of state regulation. ERISA is the

backbone of ESI and allows manufacturers to provide uniform, yet tailored, benefits to workers across multiple states.

Manufacturers and their workers are increasingly concerned with the rising cost of health care and appreciate this timely hearing to examine health insurance companies' role in this critical issue. We hope you consider the NAM a resource as you continue working to implement these policy recommendations and consider additional solutions to address the cost of health care. We look forward to partnering with the Subcommittee to ensure manufacturers can continue to offer health insurance to their workers, and their families, who work hard every day to power the American economy.

Sincerely,

Jess Wysocky
Director, Health Care Policy

Jake Kuhns
Vice President, Domestic Policy

cc: The Honorable Brett Guthrie, Chair, Committee on Energy and Commerce
The Honorable Frank Pallone, Ranking Member, Committee on Energy and Commerce