

June 10, 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: Examining Policies to Increase Health Care Transparency*

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 Subcommittee hearing titled, *Lowering Health Care Costs for All Americans: Examining Policies to Increase Health Care Transparency*.

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, even as rising health care costs remain a top challenge for the industry. These benefits are an effective tool to attract and retain employees and to maintain a healthy and productive workforce. Manufacturers know that keeping employees and their families healthy is the right thing to do for the workers who keep America and its economy strong. Seventy percent of manufacturers cited rising health care and insurance costs as their primary concern in the NAM's most recent Manufacturers' Outlook Survey.¹ Despite this challenge, 95% of manufacturing employees are eligible for health insurance benefits, 80% of whom participate, which underscores the urgent need for action to reduce health care costs for manufacturers and manufacturing workers alike.²

The NAM appreciates the Subcommittee's focus on health care affordability and transparency. Manufacturers are committed to providing health insurance to their workers, but substantive reforms are needed to increase transparency into an opaque system that puts more financial strain on manufacturers and their workers each year. While increased transparency is not a silver bullet to lower health care costs, it would provide greater data accessibility, which will help manufacturers and patients make more informed decisions. The NAM urges consideration of the following recommendations to help achieve this goal.

User-Friendly Access to Complete Data and Price Transparency

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,

¹ National Association of Manufacturers, Q1 2026 Manufacturers' Outlook Survey (March 12, 2026). Available at https://nam.org/wp-content/uploads/securepdfs/2026/03/NAM_Q1_2026_Outlook_Write_Up.pdf.

² 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>

it is critical that employer plan sponsors have user-friendly access to complete data to make informed choices about a 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 complementary data 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 and transparency measures 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.

Pharmacy Benefit Managers

Congress and the Trump Administration have made great strides in increasing transparency into the business practices of pharmacy benefit managers (PBMs). PBMs are underregulated middlemen that contribute to skyrocketing health care costs through opaque and concerning business practices. With the NAM's strong support, Congress enacted transparency requirements into PBM business models and compensation structures, which will give manufacturers the necessary data to make informed decisions about the prescription drug benefits they offer to their employees.³ The Department of Labor proposed a rule to mandate PBMs disclose data regarding fees, compensation, formulary decisions, among other types of data.⁴ The NAM submitted comments in support of this rule and offered recommendations to strengthen it.⁵ Manufacturers look forward to the promulgation of the final rule.

Along with transparency measures, Congress also enacted 100% rebate pass-through in the commercial insurance market, ensuring that manufacturers will receive the savings they negotiated in their contracts. These reforms are critical steps toward reining in PBMs' outsized influence on health care costs, but more must be done. Manufacturers support delinking PBM compensation from drug list prices in the commercial market, which would reverse PBMs' perverse incentives to increase costs at the expense of employers and employees.

340B Program

As this Subcommittee is aware, the 340B program has rapidly and massively expanded beyond Congress' intent of providing lower cost medicines and expanding care for low-income

³ See <https://documents.nam.org/TAX/2026.01.21%20NAM%20Letter%20re%20Labor%20HHS%20Bill.pdf>

⁴ See <https://www.federalregister.gov/documents/2026/01/30/2026-01907/improving-transparency-into-pharmacy-benefit-manager-fee-disclosure>

⁵ See <https://documents.nam.org/TAX/2026.04.15%20NAM%20Comment%20Letter%20re%20DOL%20PBM%20Transparency%20Rule.pdf>

and underserved patients—it is currently the second largest federal health care program. As covered entities have taken advantage of the program to increase their profits, it has had the effect of driving up the cost of health care for manufacturers and their workers. 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.⁶ 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.⁷ This corresponds to a \$5.2 billion increase in health care costs for self-insured employers.⁸

In August of 2025, the Department of Health and Human Services (HHS) announced a rebate model pilot program for the 340B program, which the NAM submitted comments in favor of.^{9, 10} In the NAM's response to HHS' February 2026 Request for Information on a 340B rebate model pilot program, we reiterated our support for such a program.^{11, 12} Both comment letters emphasized the importance of instituting a pilot program to provide needed transparency and enhance program integrity and recommended all 340B drugs be included, not just those subject to the Medicare Drug Price Negotiation Program. While the transparency a pilot program would deliver is critically needed, transparency alone will not reform the program to return it to its original intent and lower health care costs for manufacturers and their workers. Manufacturers urge the Subcommittee to address current fee structures, third party administrator behavior, sub-grantee eligibility, patient definition, child site eligibility, and the ways in which patients benefit from the program when considering reforms to the 340B program.

Manufacturers are increasingly concerned with the rising cost of health care, and our industry appreciates the Subcommittee's continued consideration of solutions to address this critical issue. Please consider the NAM a resource and a partner as you work to implement these policy recommendations 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.

⁶ 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>

⁷ 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>

⁸ Ibid.

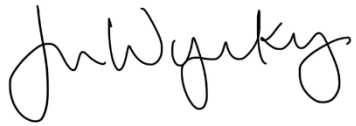
⁹ See <https://www.federalregister.gov/documents/2025/08/01/2025-14619/340b-program-notice-application-process-for-the-340b-rebate-model-pilot-program>

¹⁰ See <https://documents.nam.org/TAX/NAM%20HRSA%20340B%20Pilot%20Program%20Comment%20Letter.pdf>

¹¹ See <https://www.federalregister.gov/documents/2026/02/17/2026-03042/request-for-information-340b-rebate-model-pilot-program>

¹² See <https://documents.nam.org/TAX/2026.04.20%20NAM%20Comment%20Letter%20to%20HRSA%20340B%20Program%20RFI.pdf>

Sincerely,

A handwritten signature in black ink, appearing to read "Jess Wysocky". The signature is fluid and cursive, with the first and last names being more prominent.

Jess Wysocky
Director, Health Care Policy

A handwritten signature in black ink, appearing to read "Jake Kuhns". The signature is fluid and cursive, with the first and last names being more prominent.

Jake Kuhns
Vice President, Domestic Policy

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