



# PBM Reform and Health Policy in the New Year: What It All Means for Employers

DC is buzzing with healthcare policy, and much of it has direct implications for employers. With passage of long awaited pharmacy benefit manager (PBM) reform, which increases transparency into PBM practices for employers, alongside a new proposed rule from the Department of Labor and the Federal Trade Commission's settlement with Express Scripts, PBM practices are facing scrutiny across the federal government. Add to that the Trump administration's newly released Great American Healthcare Plan, and it's clear that health policy is firmly in the spotlight in 2026.

To support our coalitions and their employer members with these changes, the National Alliance is hosting a webinar on Wednesday, February 11 at 3pm ET focusing on the impact of the recently enacted legislation and proposed rulemaking. Coalitions and employer members can register here: [https://us06web.zoom.us/webinar/register/WN\\_2ydgEH-nTnCSvGgyXvNj4g](https://us06web.zoom.us/webinar/register/WN_2ydgEH-nTnCSvGgyXvNj4g).

Below, we highlight the key developments coalitions and employers should have on their radar and what they could mean in the months ahead.

## PBM Reform

The passage of various PBM reforms in the [Consolidated Appropriations Act, 2026](#) (HR 7148) marks a significant milestone after years of sustained bipartisan effort by National Alliance coalition members, employers, and other purchaser groups to bring greater transparency and accountability to the commercial market.

### What this means for employers

These provisions are intended to ensure negotiated savings directly benefit working families and support employers' fiduciary responsibility to manage healthcare dollars wisely. Once in effect, these provisions will also reinforce the need for employers to have strong fiduciary governance and oversight in place. Of note, the effective date for these provisions is not immediate and federal regulators will need to issue implementing regulations. The PBM provisions in the CAA will go into effect 30 months after date of enactment (Feb. 3, 2026). In most cases, the effective date is January 1, 2029.

## What changes are included?

Section 6701 and Section 6702 contain provisions that will directly impact employers, including:

- Semi-annual (or quarterly upon request) reporting by PBMs to employers with data on net prescription drug spending, rebates, spread pricing arrangements, formulary rationale, and information on benefit design and the use of pharmacies affiliated with the PBM
- Requirement to provide employers with a summary document with information about the plan's prescription drug coverage and spending
- Plan sponsors must be prepared to respond to requests from participants for plan documents
- New penalties for failure to disclose: \$10,000 per day when a group health plan, carrier, or PBM fails to provide required information and \$100,000 when a group health plan, carrier, or PBM knowingly provides false information
- Employers should document any efforts to comply as penalties can be waived for good-faith efforts
- Require PBMs to pass through 100% of all rebates and discounts to employers or issuers
- Failure to comply will result in "prohibited transaction" penalties under ERISA
- Requiring research and reports by the Government Accountability Office and Medicare Payment Advisory Commission to study the practices of PBMs in Medicare Part D and Medicare Advantage. While these reports are not directly tied to employers, they may result in additional reforms to PBM practices that could impact the commercial market.

## Other areas to note:

The CAA did not place a ban on spread pricing in the commercial market, classify PBMs as ERISA fiduciaries, or universally "delink" PBM compensation from drug list prices.

## Department of Labor Proposed PBM Fee Disclosure Rule

As a result of President Trump's Lowering Drug Prices by Once Again Putting Americans First Executive Order (EO), the Department of Labor proposed regulations that require PBMs and affiliated providers to disclose details about their compensation in advance of entering into, renewing, or extending a contract to employers so that employers can better determine whether the arrangements are reasonable. This is a significant expansion of ERISA disclosure requirements for PBMs and their affiliated brokers and consultants. The rule also requires semiannual reporting and allows for audits of service providers. The initial disclosures required include:

- Description of services
- Direct compensation expected to be received on a quarterly basis
- Payments from drug manufacturers
- Spread compensation, or the difference in the price the plan paid and what was reimbursed by the pharmacy
- Payments recouped from pharmacies (i.e., copay clawbacks)
- Price protection agreements
- Drug pricing methodology
- Formulary placement incentives
- Statement of audit rights

### What's Next?

While there are no official changes yet, employers should be prepared for changes to their PBM contracts, reporting structures, and oversight. The National Alliance will submit comments to the rule in advance of the March 31, 2026 deadline.

## ICYMI: FTC Settles with Express Scripts to Change PBM Practices

The Federal Trade Commission (FTC) reached a settlement with Express Scripts and its affiliated entities (ESI), resolving a lawsuit alleging that Express Scripts artificially inflated the list price of insulin. The settlement requires ESI to make changes to its business practices to increase transparency and, according to the FTC, will reduce patient costs for insulin by up to \$7 billion over 10 years, and increase revenue for community pharmacies. We are continuing to analyze the impact of this settlement.

## The Great American Healthcare Plan

In January, the Trump administration unveiled its broad healthcare plan, focused on lowering healthcare costs for Americans by increasing transparency and lowering insurance premiums.

While the general themes of the plan are largely supported by the National Alliance, it is important to note that the one-page fact sheet does not include any statutory language and is much more an outline than a detailed strategy.

Included in the fact sheet:

- Lower drug prices by codifying the administrations most-favored-nation deals and allow an increased number of drugs to be purchased over-the-counter
- Lower insurance premiums by sending money directly to eligible Americans, end kickbacks from PBMs to other middlemen, and fund a cost-sharing program to reduce ACA plan premiums
- Hold insurance companies accountable by requiring insurers to public rate and coverage comparisons in “plain English,” publish the percentage of their revenue paid out to claims against the percentage paid for overhead costs and profits, and publish the percentage of denied claims and average wait times for routine care
- Maximize price transparency by requiring any provider or insurer who accepts Medicare or Medicaid to publicly post their pricing and fees

### Now what?

This plan focuses on ideas that the Trump administration has been talking about for some time. Expect to see continued focus on these areas and piecemeal policies emerging as the year continues.

