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The Honorable Maria Cantwell Chair Committee on Commerce, Science, and Transportation United States Senate Washington, DC 20510 The Honorable Ted Cruz Ranking Member Committee on Commerce, Science, and Transportation United States Senate Washington, DC 20510

Dear Chair Cantwell and Ranking Member Cruz,

The National Association of Manufacturers is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs nearly 13 million Americans and contributes \$2.81 trillion to the U.S. economy annually. Manufacturers pay workers over 18% more than the average for all businesses and 99% of manufacturers offer health benefits to employees.

Manufacturers support the advancement of pharmacy benefit manager reform and a further examination of pharmaceutical pass-through savings. Public-private structures help achieve both success and savings, but misaligned incentives must be changed so that plan sponsors and consumers can fully realize the benefits of savings. As health care costs continue to escalate, bending the cost curve without sacrificing access and quality care remains a priority for manufacturers.

The pharmaceutical distribution system in the United States is the safest in the world, yet it is the most complex with little visibility into its workings. The pharmacy benefit system also has a misaligned structure of incentives that has evolved over time. The results have led to higher costs and distorted prices for employers and patients alike. S. 127, the Pharmacy Benefit Manager Transparency Act of 2023 achieves important health care reform goals and manufacturers appreciate today's review of PBM business practices.

Manufacturers across the United States are constantly evolving to serve customers, innovate, grow business and reduce costs. The health care sector must go through the same process with a focus on pharmacy benefit managers with a focus on market-based principles that provide greater transparency without sacrificing patient care. Manufacturers support a successful, competitive and affordable health care system that is second to none so that businesses and their employees can thrive, be healthy and share in success. The opportunity to comment and support sensible and meaningful health care reforms is appreciated.

Sincerely,

Robyn M. Boerstling

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