



HOUSE BILL 229 – (ESTABLISH LICENSING PROCESS, CONTRACT REQUIREMENTS FOR PBMs)

WRITTEN PROPONENT TESTIMONY- OHIO HOUSE GENERAL GOVERNMENT COMMITTEE

JUNE 3, 2025

Chair Ray and members of the Ohio House General Government Committee,

I am writing on behalf of the nearly 21,000 members of the National Federation of Independent Business in Ohio (NFIB) to convey our support for House Bill 229.

By way of background, NFIB is a small business trade association founded in 1943 dedicated to representing the interests of small and independent businesses across our state and nation. NFIB's mission is to promote the right of our members to own, operate and grow their businesses. Our members have an average of 15 or fewer employees and come from all industry sectors and each of the 88 counties across Ohio.

HB 229 is a crucial transparency measure that seeks to update Ohio's laws around licensing and reporting for pharmacy-benefit managers (PBMs). PBMs play a major role when it comes to availability and pricing of prescription drugs. However, the PBM market is highly concentrated. According to the Federal Trade Commission, the top three PBM's control 80% of the market, thus leading to less competition and higher prices for Ohio's small businesses.

This legislation will require a separate, new licensure with the Department of Insurance for all PBM's operating in the state, ensuring these entities are accountable for their practices separate from other third-party administrators. A written agreement with a plan sponsor will be required under the bill that states the terms, services performed, methods of computing payment, etc. Furthermore, HB 229 will also mandate disclosure of any discount pricing, rebates, fees and other financial metrics adopted by PBMs.

Most small businesses want to provide health insurance to their employees as it is an attractive benefit that can provide a competitive advantage when hiring or retaining employees. However, one of our recent surveys found the most important reason small employers don't offer health insurance is that it's simply too expensive, with an average of 65% reporting this reason. In fact, the cost of health Insurance has consistently ranked as the number one issue impacting our members' business operations since 1986, according to our quadrennial Problems and Priorities survey.

While prescriptions drug prices are just one part of the skyrocketing cost of healthcare, greater transparency in this space will help consumers and policy makers better understand cost drivers to the system, thus allowing for proper reform measures to be implemented. PBMs have a role to play in our healthcare system, however, it is vital these entities are performing services in a fair and transparent manner to not overly burden consumers with unnecessary costs.

Thank you for the opportunity to provide comments in support of HB 229 on behalf of Ohio's small businesses and we urge the committee's adoption of this legislation.

Sincerely,

A handwritten signature in black ink, reading "Cameron J. Garczyk". The signature is fluid and cursive, with the first name "Cameron" and last name "Garczyk" clearly legible.

Cameron J. Garczyk
Ohio Assistant State Director
614-221-4107