



Representative Kellie Deeter
House District 54

Chair Wilson, Vice Chair Lang, Ranking Member Craig, and members of the Senate Financial Institutions, Insurance and Technology Committee, thank you for the opportunity to provide sponsor testimony on Substitute House Bill 229, which will establish licensing requirements, oversight, and transparency for pharmacy benefit managers, or PBMs, in Ohio.

PBMs manage and administer prescription drug benefits on behalf of insurers and employers. They are a central player in the pharmaceutical supply chain, significantly influencing drug pricing, access, and reimbursement. They play a powerful and meaningful role, but their operations are largely hidden from view, leaving employers, patients, and local pharmacies with limited insight into cost structures and reimbursement practices. Additionally, the industry has seen extensive consolidation and vertical integration, with a noticeable reduction in competition. Today, three PBMs process approximately 80% of all pharmacy claims, and just six PBMs control over 90% of the market.

This legislation establishes a stand-alone PBM licensing process under the Department of Insurance. It requires PBMs to disclose their contractual arrangements, fees, rebates, and related financial flows to plan sponsors, and it empowers the Superintendent of Insurance to audit PBMs and enforce compliance. When plan sponsors have access to this data, they can compare PBM practices and hold them accountable, helping to stabilize reimbursement trends for pharmacies downstream. These provisions bring needed light to pricing practices that affect patients, employers, and pharmacies across Ohio.

While this bill does not set drug prices or add dispensing fees, it provides tools through licensing, audits, and transparency, to hold PBMs to higher standards and advance policies that protect patients, employers, and Ohio's business community.

This bill received unanimous votes in both the House General Government Committee and on the House floor. I have worked with all stakeholders in good faith and have made several changes to the bill resulting in either support or neutrality from all.

Substitute House Bill 229 is a meaningful step toward fairness and transparency in the administration of prescription drug benefits in our state. It strengthens oversight, empowers employers, and moves Ohio closer to a system where patients are the focus.

Thank you for allowing me to provide sponsor testimony on Substitute House Bill 229 and I would be happy to answer any questions you may have.