



November 4, 2025

Chairman Wilson, Vice Chairman Lang, Ranking Member Craig and members of the Senate Financial Institutions, Insurance and Technology Committee.

My name is David Burke, and I serve as the Executive Director of the Ohio Pharmacists Association. I am before you today in support of Substitute House Bill 229. As you are likely aware, Pharmacy Benefit Managers (PBM) have been an item of discussion for years at the state and Federal level. Acting as true middleman, the three main PBMs now control 80% of the pharmacy networks dictating price, cost, and network access with little to no oversight, accountability or regulation. Whether a patient, payer or pharmacy, the cost and price of medications dictated by the PBMs has little to no transparency, commonality of terms, or value based comparable.

At the direction of the US Congress, the General Accounting Office conducted a study on state regulations of PBMs. I have attached the summary of those findings. I urge you to review the entire study. Substitute House Bill 229 was derived because of this study with the primary goal of transparency. Working with interested parties in both the PBM market and regulators, I'd like to highlight some of the provision in Substitute House Bill 229 and share why payers, employers and patients deserve objective transparency rather than subjective PBM numbers.

The legislation removes PBMs from their current placement within the Third-Party Administrator (TPA) chapter of code and sets them within their own chapter. This provides a framework separate from standard claims processors such as your dental and vision benefit processors which do not assume risk or the price maker/price taker role that PBMs assume. It continues the licensure process, enhances records retention, requires standardized report criteria, sets a narrow agency and defined fiduciary duty, excludes ERISA plans, and allows the Superintendent of Insurance examination authority of PBM books and records while maintaining confidentiality. While mirroring most existing TPA provisions, the legislation creates or enhances the Department of Insurance's ability to oversee PBMs in a truly meaningful way without encumbering plan design, increasing costs, or inducing burden.

Be clear, this legislation is not about pharmacies or pharmacists. It is about bringing transparency to a market sector that has been monopolized and then abused by an overly complicated scheme where a middleman now can determine both cost and reimbursement. This has a direct effect on growing premiums paid by Ohio employers. To that point and after winning an \$80 million lawsuit for overcharges from a PBM, Ohio Medicaid moved away from the traditional PBM model and to transparent third-party administrative model we have today. In the first two years, Ohio has saved \$140 million demonstrating how costly the lack of transparency truly is.

Congress continues to wrestle with this issue. Senate Judiciary Chairman Chuck Grassley said, "Americans are fed up... they're eager for Congress to act to put a stop to shady PBM practices," and referred to PBMs as a 'moral obscenity' just last month.

The legislation before you does not set cost, payment, or premium. It creates much needed transparency and uniformity in reporting revenue and expenditures in the pharmacy benefit that do not exist today: no more and no less. While I am sure the stories of woe from the PBM lobbyist and their minions will spin tales of fear and doubt, I only ask you to return to your district, stop by a small business or ask an individual who pays for their own insurance what information they get from their PBM. Ask them if they even had a choice in their PBM, whether or not to use spread pricing, or how their benefit is administered or how they determined cost effectiveness PBM to PBM when selecting a plan.

Substitute House Bill 229 gives transparency to consumers who deserve the ability to make an effective apples to apples value comparison within their pharmacy benefit. It provides regulatory oversight to ensure consumers of the pharmacy benefit have the same protections they enjoy within their other health benefits. I strongly urge the passage of this legislation.

Respectfully,

David Burke, R.Ph, MBA
Executive Director
Ohio Pharmacists Association