

July 25, 2025

The Honorable Earl L. “Buddy” Carter  
U.S. House of Representatives  
2432 Rayburn House Office Building  
Washington, DC 20515

The Honorable Debbie Dingell  
U.S. House of Representatives  
102 Cannon House Office Building  
Washington, DC 20515

Dear Representatives Carter and Dingell:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing in support of H.R. 4317, the “Pharmacy Benefit Manager (PBM) Reform Act of 2025,” a bipartisan effort to bring long-overdue transparency, accountability, and fairness to the PBM industry.

The PBM Reform Act of 2025 encompasses a comprehensive set of provisions designed to increase transparency, accountability, and fairness in the prescription drug supply chain. The bill would ban spread pricing in Medicaid and establish a transparent reimbursement model to ensure pharmacies are fairly compensated for serving beneficiaries. It would also decouple PBM compensation from drug costs, enhance transparency for employers and patients, and authorize the Department of Health and Human Services to define and enforce reasonable contract terms. These measures collectively address the unchecked power of PBMs and bring much-needed oversight into their practices. The AMA supports this legislation, recognizing that it would promote greater transparency around PBM policies and their impact on patients, physicians, employers, pharmacies, and other stakeholders throughout the pharmaceutical distribution system.

The call for increased oversight and studies to prevent unfair or anticompetitive PBM practices is consistently a top-of-mind issue for the AMA. Last year, the AMA provided a [2024 update](#) to the paper titled *Competition in PBM Markets and Vertical Integration of Insurers with PBMs*, which originally focused on commercial Part D Prescription Drug Plans (PDP) coverage lives using data from 2020 and 2021. The current edition expands and enriches the analysis by adding Medicare Part D PDP lives, including both Medicare Advantage PDP and standalone PDP. Protecting patients and physicians from anticompetitive harm is another layer of complexity that warrants attention as you continue to work through these issues to protect patients and ensure prescription drugs remain affordable and accessible.

Physicians have long expressed concerns about the detrimental impact PBM business practices have on patients’ access to and the cost of prescription drugs. The opaque nature of PBM negotiations and operations makes it exceedingly difficult for physicians to determine what treatments are preferred by a particular payer at the point-of-care, what level of cost-sharing their patients will face, and whether medications are subject to any step therapy or other utilization requirements. Physicians experience and see firsthand the difficulty and burden high pharmaceutical costs have and continue to impose on their patients’ care

We believe that the PBM Reform Act is a significant step towards providing that relief. By prioritizing transparency, competitive markets, and enforceable protections for patients this legislation restores integrity to our prescription drug system. It is a vital move toward lowering out-of-pocket costs, safeguarding access, and delivering on the promise of affordable care.

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The AMA appreciates your efforts and is pleased to offer our support for your legislation. Please reach out to me directly at 312-464-5288 or [John.Whyte@ama-assn.org](mailto:John.Whyte@ama-assn.org) if you have any questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "John Whyte". The signature is fluid and cursive, with a large initial "J" and "W".

John Whyte, MD, MPH