

Lower Costs, More Transparency Act

On September 8, 2023, the Lower Costs, More Transparency Act ([HR 5378](#)) was introduced in the House by Kathy McMorris Rodgers (R-WA) and Frank Pallone (D-NJ). The bill includes important hospital and PBM transparency provisions from the House Energy and Commerce Committee, the Ways and Means Committee and the Education and the Workforce Committee.

If enacted, hospitals would be required to list prices they will charge patients through machine-readable files, and it also mandates insurers and pharmacy benefit managers disclose drug rebates and discounts. PBMs would be required to provide employers with semi-annual prescription drug spending data, including total out-of-pocket spending and formulary placement rationale. In addition, the bill requires stricter monitoring and enforcement of transparency requirements, ensuring that every hospital will be audited for compliance at least once every three years. The bill also creates meaningful penalties for non-compliance as well as a public list of entities that fail to comply with the transparency requirements. In its current form, the Act contains a ban on spread pricing, but it applies only in Medicaid.

Whether this bill – or any other legislation regarding price transparency or PBMs – can be passed this year is very much in question. The Lower Costs, More Transparency Act has not yet been passed out of any of the committees of jurisdiction to which it has been referred. That is an important first step before the bill can be heard on the full House floor. Unfortunately, there are several factors working against getting this bill enacted. There is a risk of another potential government shutdown looming in mid-November. Even if these two major hurdles are overcome, there is limited time to pass legislation before the end of the year. We continue to closely monitor activity in Congress and will provide additional information as it is available. You are encouraged to contact your own congressional delegations to express your support for the Lower Costs, More Transparency Act, especially if any of your representatives are members of the committees mentioned above.

The National Alliance supports this bill because it brings some additional, much needed transparency to the entire health care system. The hospital transparency requirements align closely with our work on [Hospital Fair Price](#), including the [Sage transparency tools](#) and the new playbook, [Beyond Hospital Transparency: Getting to Fair Price](#).

We fully support the hospital price transparency requirements in the Lower Costs, More Transparency Act. The PBM transparency requirements in the bill are also an important step toward shedding light on some of the more egregious practices of PBMs that cause distortions in the market and leave employers with little negotiating power to lower prescription drug costs for their employees.

However, transparency alone is not enough to level the playing field between PBMs and employer plan sponsors. There are several other bills that have been introduced in Congress this year that we support because they would go further toward bringing about meaningful change in the PBM industry by – in addition to requiring much-needed transparency – addressing such issues as pass-through rebates, elimination of spread pricing, and delinking drug price from PBM profit. ([Letter to Senate Leadership: Supporting PBM Reform from Employers and Other Stakeholders](#))