



Senate Industry and Business

03/31/25

Testimony in Support of House Bill 1584

Chairman Barta and Members of the Committee, on behalf of the National Federation of Independent Business (NFIB) and its thousands of small business members, we are here to express strong support for reforming the practices of Pharmacy Benefit Managers (PBMs). Small businesses across the North Dakota, have been facing increasing healthcare costs, particularly prescription drug expenses, which continue to strain their operations and budgets. PBMs, which serve as intermediaries between insurers, pharmacies, and drug manufacturers, have grown increasingly opaque and complex, leading to rising costs for small business owners and their employees. Reforming the PBM industry is necessary to bring transparency, fairness, and cost relief to the marketplace.

PBMs often negotiate rebates and discounts with drug manufacturers, but these agreements are not always passed on to consumers. Instead, the savings are frequently kept by PBMs or passed to health insurers without benefiting the small businesses and their workers who are directly affected by high drug prices. This lack of transparency in PBM pricing structures creates an environment where small business owners and their employees are paying higher prices for prescription medications than they should. Reforms that require PBMs to disclose these rebates, as well as the actual costs they are charging to employers and consumers, would go a long way in addressing these challenges.

Small businesses are the backbone of our economy, and they deserve a healthcare system that is efficient, transparent, and fair. PBMs, in their current

form, are contributing to the financial strain small businesses face in providing healthcare coverage. By supporting PBM reform, this committee has the opportunity to enact meaningful change that will reduce prescription drug costs, promote transparency, and improve healthcare outcomes for small business owners and their employees. We urge you to move forward with reforms that address these critical issues, ensuring that small businesses are not left behind in the ever-evolving healthcare landscape.

Thank you for your time and consideration.

Don Larson
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NFIB