

WHAT EMPLOYERS NEED TO KNOW ABOUT PBM Reform, Trump Rx & Other Changes on the Horizon

Wednesday, April 1, 2026
12:00 - 1:00 PM



Webinar Procedures



All lines will be muted



Please submit all questions using the “Q&A” dialog box



Email Diane Engel at dengel@nebgh.org with any issues during this webinar



A recording of the webinar and a PDF of the presentation will be shared.

A screenshot of a web browser window titled 'Q&A'. The main content area displays the text 'You have no question.' Below this is a text input field containing the text 'What h'. At the bottom of the form, there is a checkbox labeled 'Send Anonymously' and a blue 'Send' button.

Speakers



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Health Policy Roundup

**What Employers Need to Know About PBM Reform,
Trump Rx & Other Changes on the Horizon**

April 1, 2026

What Happened

■ Three Independent but Related Federal Actions

- January 30th: U.S. Department of Labor Issues Proposed Disclosure Rule
- February 3rd: The 2026 Consolidated Appropriations Act (“2026 CAA”)
- February 4th: FTC Settlement with Express Scripts (CVS Settlement Reportedly Being Negotiated)

■ What PBM activities are impacted?

- New Ongoing Reporting Requirements
- Pharmacy Benefit Design
- Rebate Pass Through
- Spread Pricing
- Pharmacy Networks and Pharmacy Compensation
- Auditing



Catalysts for PBM Reform

- Opaque terms and lack of transparency makes it difficult for plan fiduciaries to evaluate whether PBM compensation is reasonable
- Concerns that PBM incentives increase drug list prices (results in formularies favoring higher list prices but larger rebates)
- Impact of high list prices on patients
- Independent pharmacy closures
- FTC antitrust review



Reporting Requirements

- 2026 CAA Examples (May Depend on Size of Employer):
 - Drug level compensation received by PBM Spread Pricing
 - Rebates and other remuneration
 - Payments to brokers and consultants
 - Benefit designs that favor affiliated pharmacies
 - Summaries of drug pricing, cost information, and claims information
- 2026 CAA will require health plans to notify participants annual of the PBM reporting obligations and provide relevant reporting documents upon participant's request
- DOL Proposed Rule and FTC Settlement have even more detailed reporting requirements



Rebates and Spread Pricing (2026 CAA)



2026 CAA:

- 100% of rebates must be passed to the ERISA plan on a quarterly basis
- Must be addressed in the PBM contract for ERISA plan to meet fiduciary duty to pay reasonable compensation (and thus qualify for prohibited transaction exemption)
- Does not limit spread pricing or use of affiliated pharmacy business models

Rebates and Spread Pricing (FTC Settlement)

- **FTC Settlement with ESI:**
 - Formulary must not discriminate against low wholesale version of drugs
 - “Standard offering” requirements:
 - Rebates must be passed through at the point of sale to benefit members
 - No guarantees regarding pre-determined amount of compensation
 - Must not include spread pricing
 - Must compensate retail pharmacies for non-dispensing service and drugs based on actual acquisition costs plus a dispensing fee
- Recognizes that plans may request changes to Standard Offerings

Audits

2026 CAA

ERISA plans must be allowed to audit PBM on an annual basis (includes PBM's rebate contracts with aggregators and manufacturers)

DOL Proposed Rule

PBMs must notify plans of audit rights and procedures

Civil Penalties and Fiduciary Relief

- Under the CAA, penalties include:
 - \$10,000 per day for failure to provide required information
 - \$100,000 for each item of false information provided
 - Imposed on PBM, group health plan or health insurance issuer
- Under the DOL Proposed Rule and CAA:
 - Compliance failures can result in a prohibited transaction
 - Potential relief for failures where fiduciaries believed compliance occurred
 - Fiduciaries will need to require correction in event of non-compliance
 - Timeline under DOL Proposed Rule for correction of noncompliance before required to terminate arrangement
- Exemption to prohibited transaction rules – allows payment of “reasonable” fees to services providers from plan assets (ERISA Section 408(b)(2))
 - PBMs will be subject to the disclosure requirements so that plans can evaluate fees



Timelines

- DOL Proposed Rule
 - 60 days after the publication of the final rule
 - Applicable to plan years beginning on or after July 1, 2026
- 2026 CAA
 - Plan years commencing on or after August 3, 2028 (or January 1, 2029, for calendar year plans)
 - Final regulations must be issued no later than August 3, 2027



What Employers Need to Do

- 2026 CAA requirements are imposed on **ERISA Plans** not the PBMs
 - It is the responsibility of the plan to ensure its PBM contracts comply with new requirements
- Establish governing structures for fiduciary decision-making
- Develop a disclosure review strategy
- Assess PBM fee structures carefully/Monitor for reasonableness
- Monitor state PBM legislation
- If applicable, evaluate Express Scripts standard offerings
 - CVS and Optum are reportedly in settlement discussions with FTC



Trump Rx



2027 ACA Payment Notice Proposed Rule

- Sets standards for Health Insurance Exchanges that provide ACA coverage and agents/brokers
- Proposes sweeping changes which, if finalized, would:
 - Allow issuers to offer catastrophic plans with terms of either one year or multiple consecutive years, up to ten years
 - Repeal standardized plan options and related limit requirements (states would have to pay for “extra” benefits)
 - Permit low-deductible plans with higher maximum out-of-pocket limits
 - Align affordability and coverage incentives across catastrophic and metal-level plans.
 - Expand hardship exemptions for certain individuals age 30 and older in all states, allowing more consumers access to catastrophic coverage.
 - Permit non-network (e.g., reference-based pricing plans) plans to receive Qualified Health Plan certification by demonstrating “sufficient provider choice”

Thank You



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Upcoming NEBGH events:

- **April 6** – Mondays with Dr. Mark & Dr. Michael – “Dr. AI Will See You Now...Maybe”
- **April 14** – Up & Comers In-Person Event: Innovations in Open Enrollment
- **May 4** – Mondays with Dr. Mark & Dr. Michael – “Alcohol: How Much Is Too Much?”
- **June 18** – 15th Annual Conference: Powering Progress to Drive Change

SAVE THE DATE

- **July 16** – Red, White and Rooftop: A Summer Rooftop Social by NEBGH
- **September 24** – 2026 Pharmacy Benefits Conference

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