THE ERISA INDUSTRY COMMITTEE
Shaping benefit policies before they shape you.

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President and CEO

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Submitted Electronically via: www.regulatuions.gov

Attention: 1210-AC30
Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Room N-5653
U.S. Department of Labor,
200 Constitution Avenue NW,
Washington, DC 20210

RE: Request for Information: Prescription Drug Machine-Readable File Requirement in the Transparency in Coverage Final Rule

To Whom It May Concern:

The ERISA Industry Committee ("ERIC") is pleased to submit the following comments in response to the Request for Information to gather input regarding the implementation of the prescription drug machine-readable file ("MRF") disclosure requirements in the Transparency in Coverage ("TiC") Final Rule. We appreciate the Departments of Labor, Health and Human Services, and the Treasury ("the Departments") efforts to promote transparency and empower employer-sponsors a group health plan, plan participants, and other stakeholders with better access to prescription drug pricing information.

ERIC is the only national trade association that advocates exclusively on behalf of large employers on health, retirement, and compensation public policies on the federal, state, and local levels. ERIC's member companies offer comprehensive group health benefits to their employees in compliance with the myriad federal laws including the Internal Revenue Code ("Code"), the Employee Retirement Income Security Act ("ERISA"), and the Public Health Service ("PHSA"). ERIC supports the ability of its large employer member companies to tailor retirement, health, and compensation benefits to meet the unique needs of their workforce, providing benefits to millions of workers, retirees, and their families across the country.

ERIC member companies adhere to a simple tenet: Transparency is good – both (1) to reduce health care costs and (2) to improve the quality of care. Health care costs continue to rise at an unsustainable rate. Disruption is critical to changing this dynamic. As emphasized in the March 26, 2025 employer group letter to the administration, prescription drugs remain a significant and often opaque cost driver within employer-sponsored health plans.

Public disclosure of negotiated rates and historical net prices via the required MRF that health care payers (i.e., health insurers and self-insured health plans) must post – plus a unique MRF disclosing the prices of prescription drugs and other prescription drug-related information – are essential for enabling employer-sponsors and plan participants to make informed decisions about how they spend their health care dollars. Below are ERIC's recommendations to build upon the TiC Final Rule, which are based on both (1) the March 2025 employer group letter and (2) ERIC's January 29, 2020, comments on the TiC Proposed Rule.

COMMENTS

I. Enforce and Publish the Prescription Drug Machine Readable File

ERIC strongly supports the Departments' decision to rescind the prior enforcement delay. We urge prompt establishment of a final schema for a prescription drug MRF that is unique, separate, and apart from the MRF disclosing in-network rates and out-of-network allowed amounts that health care payers must post. We also urge the Departments to routinely and consistently enforce compliance with the requirement to post complete and accurate in-network rates and out-of-network allowed amounts on the payer MRFs – as well as the prices of prescription drugs and prescription drug-related information on the prescription drug MRFs – holding (1) health insurers, (2) third-party administrators ("TPAs"), and (3) Pharmacy Benefit Managers ("PBMs") accountable for such compliance. As noted in our employer group letter, we continue to see a troubling lack of publicly available and comprehensive files, with only preliminary and often incomplete examples emerging from a limited number of payers. This deficiency undermines the intent of the TiC Final Rule and leaves employer-sponsors and plan participants without critical tools to manage the rising cost of medical items and services and prescription drugs.

Timely, standardized public disclosure is essential for unlocking the promise of prescription drug price transparency, especially in a market segment where costs are both (1) a major financial burden, and (2) frequently obscured by opaque pricing practices. We respectfully request that the Departments publish a clear timeline for expected compliance milestones and enforce compliance uniformly to ensure a level playing field. Without timely and standardized public disclosure of both (1) the health care payer MRF, and (2) the prescription drug MRF, the promise of price transparency — particularly in the high-cost, high-impact prescription drug market — cannot be realized.

II. Require a Standardized Format and Schema Requirements

To ensure usability, we urge the Departments to promptly finalize and mandate a standardized format and schema for both (1) the health care payer MRF, and (2) the prescription drug MRF that aligns with the existing schema that hospitals must adhere to when posting prices of medical items and services via a MRF, as required under the Hospital Transparency Final Rule and corresponding regulations. Consistency across datasets will facilitate seamless integration with transparency tools and analytics platforms used by employer-sponsors, health care consultants, researchers, and consumer-facing applications.

A uniform schema will also help minimize administrative burdens on employer-sponsors and third-party data aggregators by eliminating the need to reconcile disparate formats. Furthermore, adopting a clearly defined, machine-readable data standard will promote innovation in the private-sector by enabling developers to create new cost-comparison tools, benefit optimization platforms, and predictive analytics solutions for employers and plan participants.

III. Hold Health Plan Service Providers Accountable, Not Just the Health Care Payers

ERIC reiterates its position that employers sponsoring self-insured health plans should not be held responsible for inaccuracies or omissions in the prescription drug MRFs prepared and posted by those entities hired to provide services to the health plan (i.e., contracted health insurers or TPAs and also PBMs). Similar to the provisions in the TiC Final Rule applicable to the MRFs posted by those health insurers underwriting fully-insured health plans, the responsibility and liability for compliance should rest squarely with the entity controlling the underlying data. In the case of self-insured health plans – where the employer-sponsor does not have any access to the pricing information or data – the entity that controls the underlying data is the health insurer or TPA and the PBM.

Shifting this accountability to these health plan service providers (i.e., the health insurer or TPA and the PBM) appropriately ensures that those with direct access to the negotiated rates, rebates, and net pricing information are incentivized to maintain accuracy, completeness, and timeliness in reporting. Holding plan sponsors accountable for information over which they lack visibility or control would be both (1) inequitable, and (2) counterproductive to the goals of the administration's efforts to increase the transparency of medical items and services and prescription drug prices.

IV. Increase Enforcement Efforts and Meaningful Penalties

The Departments must prioritize rigorous monitoring of compliance with both (1) the health care payer MRF, and (2) the prescription drug MRF requirements. However, enforcement efforts should focus primarily on TPAs and PBMs, who are typically responsible for compiling and posting these files on behalf of employer-sponsored plans. To date, limited enforcement on TPAs and PBMs have contributed to widespread noncompliance, including the failure to post required data, submission of unusable or incomplete files, and the bad-faith inclusion of so-called "zombie rates"—contracted prices that are no longer valid or are never actually used in practice. These problems significantly undermine the utility of the transparency regulations. Stronger enforcement is critical to achieving the objectives of transparency initiatives and ensuring plan sponsors and plan participants can meaningfully leverage this information. Without meaningful penalties and clear public reporting on the accuracy of both (1) the health care payer MRF, and (2) prescription drug MRF, this administration's transparency regulations risk becoming a procedural formality without substantive impact. Plan sponsors and plan participants rely on this information to make informed decisions, manage costs, and optimize health plan design — objectives that can only be achieved through rigorous enforcement of disclosure requirements.

V. Ensure Employer Access to Prescription Claims Data

ERIC strongly urges the Departments to reaffirm and enforce plan sponsors' rights to unencumbered access to the plan's prescription drug claims and utilization data, as required under Section 201 of the *Consolidated Appropriations Act (CAA) of 2021*. Without both (1) public MRFs, and (2) access to the health plan's claims data, plan sponsors are severely hampered in their ability to analyze spending trends, identify areas for plan improvement, and implement effective cost-containment and clinical management strategies.

Further, plan sponsors need timely, clean, and complete claims data to comply with other federal reporting obligations, including the annual Prescription Drug Data Collection (RxDC) report. Ensuring consistent and enforceable access to this data is essential to advancing price transparency and value-based purchasing initiatives in employer-sponsored health plans. In most cases, employers contract with vendors to gather the necessary data (usually from a combination of vendors to the employer's benefit plan, such as insurance companies, pharmacy benefit managers, behavioral health specialty vendors, and the like). And often, the employer must rely on third parties both to provide and to promulgate this data. Employers should not be charged by vendors for access to their own claims data, which should include critical information, such as rebates and fees collected from pharmaceutical manufacturers. Additionally, employers should retain full and permanent ownership and control of their data, regardless of whether they maintain a relationship with a particular vendor.

VI. Facilitate Integration with Quality Metrics

ERIC encourages the Departments to explore future opportunities to integrate quality-of-care benchmarks and clinical outcomes metrics alongside medical and prescription drug price transparency data. Plan sponsors and plan participants need to evaluate not only the financial aspects of covered medical items and services and prescription drugs, but also comparative clinical effectiveness, safety, and long-term health outcomes.

Pairing pricing data with quality indicators would empower plan sponsors and plan participants to make more informed decisions about high-value treatments, identify areas of overuse or low-value care, and encourage better alignment between cost and outcomes. This integration could form the basis for future value-based insurance design models and enhanced formulary management tools.

VII. Support for Public Availability and Clear Consumer Tools

ERIC continues to advocate for the pairing of MRF disclosures with publicly accessible, easy-to-navigate consumer tools that allow plan sponsors and plan participants to compare the prices of medical items and services and prescription drug pricing and coverage options in a meaningful, actionable manner. Transparency without usability fails to achieve the intended outcome of improved decision-making, thereby reducing unnecessary costs. Moreover, cost trends that could inform future policy development.

We urge the administration to further enhance its efforts to create a transparent data-sharing environment, bringing together the Departments and private-sector stakeholders to develop third-party applications that can translate complex MRF data into intuitive, consumer-friendly formats. This tool should satisfy all employer requirements, including the consumer tool under the TiC Final Rule and the CAA, RxDC, and the Advanced Explanation of Benefits, so as not to be duplicative, as beneficiaries will have access to the same information, in a customized, personalized manner. Similar and multiple reporting requirements only add layers of red tape and unnecessary costs that will ultimately impact beneficiaries' health insurance premiums.

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ERIC commends the Departments for advancing this important policy, and we reaffirm our commitment to supporting greater transparency in the U.S. health care system. Prescription drug price transparency is a critical, overdue step toward empowering plan sponsors and plan participants, and we look forward to continuing to work with you to improve access, affordability, and value in health benefits delivery.

Thank you in advance for considering these comments. Please do not hesitate to contact me at 202-789-1400 or jgelfand@eric.org with any questions or if we can serve as a resource on these very important issues.

Sincerely,

James P. Gelfand
President & CEO