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Statement for the Record by

The ERISA Industry Committee (ERIC)

To the U.S. House of Representatives
Committee on Energy and Commerce
Health Subcommittee
Washington, D.C.

"Maintaining America's Leadership in Biomedical Innovation: FDA's Role in Advancing U.S. Drug Development"

July 15, 2026

Chairman Griffith, Ranking Member DeGette, and members of the Subcommittee, thank you for the opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC) for the hearing on the U.S. Food and Drug Administration's role in advancing drug development in the United States.

ERIC is a national advocacy organization exclusively representing the largest employers in the United States in their capacity as sponsors of employee benefit plans for their nationwide workforces. With member companies that are leaders in every economic sector, ERIC is the voice of large employer plan sponsors on federal, state, and local public policies impacting their ability to sponsor benefit plans. ERIC member companies offer benefits to tens of millions of employees and their families, located in every state, city, and congressional district.

Our member companies offer comprehensive health benefits, including prescription drug benefits, to employees, their families, and often retirees. On average, large employers pay approximately 80 percent of health care costs on behalf of their beneficiaries. More than 160 million people receive coverage through employer-sponsored insurance, including over 100 million through ERISA self-insured plans. These figures underscore the central role employers play in the nation's health care system—and the significant cost pressures they face in sustaining that coverage. Premium costs for employer-sponsored plans are now projected to grow by six to nine percent each year. For ERIC's member companies, some of which provide coverage to more than one million beneficiaries nationwide, these increases represent substantial costs that could otherwise be invested in wages, expanded benefits, or other support for workers and families.

For years, powerful interests have slowed biosimilar adoption by casting doubt on biosimilar safety, pressing for unnecessary phase III trials, advancing a misleading "interchangeability" designation, and preserving a patchwork of state substitution laws that restrict biosimilar dispensing. To counter this narrative, ERIC launched a groundbreaking initiative in 2020 with Johns Hopkins University to better understand the role biosimilars could play in reducing health care costs. Participating companies would have saved an average of $1.53 million on infliximab, an autoimmune drug, if they had used the biosimilar alternative.[1] Because these companies are self-insured, those savings would have returned to the benefit plan, lowered premiums, or supported improved and additional benefits. ERIC's data projected that all self-insured employer health benefit plans could have saved $1.4 billion on just two biologics in 2018 if appropriate biosimilar substitution had been used.[2] More than five years later, with many additional biosimilars now on the market, ERIC is updating this study and hopes to share new data when available.

ERIC urges Congress to take a holistic approach to lowering drug spending for employers and patients, one that addresses discovery, development, and delivery. Congress has before it a range of commonsense, bipartisan policy solutions designed to encourage lower-cost drug alternatives and restore competition in markets where it has been delayed or undermined. Many current challenges in the prescription drug market stem from departures from the balance established by the Drug Price Competition and Patent Term Restoration Act of 1984, commonly known as the Hatch-Waxman Act. The law rewards innovation with time-limited market exclusivity, followed by competition from generic products. Today, however, strategies that delay or avoid competition have contributed to high costs for plan sponsors and patients. ERIC strongly supports patent reforms that would promote investment in biosimilar and generic competition.

At the same time, there are several regulatory improvements squarely within the Committee's authority that deserve action this year. This Committee has long led on biosimilar policy: the Biologics Price Competition and Innovation Act (BPCIA), enacted nearly 16 years ago, originated here. Since then, experience has confirmed that biosimilars are safe and effective and can provide lower-cost alternatives for patients. Yet outdated regulatory standards continue to slow access.

[1] "Biosimilar Medications – Savings Opportunities for Large Employers" - Johns Hopkins Bloomberg School of Public Health, March 2020
[2] Ibid.

ERIC supports a broad set of reforms to address these challenges. Several bipartisan bills are ready for consideration and would speed biosimilar adoption and competition:

- Biosimilar Red Tape Elimination Act (H.R. 5526)
    - Led by Committee members Congressmen August Pfluger (R-TX) and Greg Landsman (D-OH), this bill removes certain requirements for biosimilars to receive an interchangeable designation. Specifically, it establishes a presumption that an approved biosimilar is interchangeable with the reference product without requiring additional manufacturer evidence and removes exclusivity periods for the first interchangeable biosimilar. ERIC believes the BPCIA's "interchangeability" designation, which does not exist in other countries, is an artificial barrier that delays market competition.

- STOP GAMES Act of 2026 (H.R. 8908)
    - Led by Congressman Eric Sorensen (D-IL) and Congresswoman Stephanie Bice (R-OK), this bill prevents brand-name pharmaceutical companies from abusing the FDA citizen petition process to delay approval of lower-cost generic and biosimilar applications. By curbing delay tactics that exploit regulatory processes, the legislation would help ensure patients and plan sponsors can benefit from competition as soon as lower-cost alternatives are ready for approval.

- Expedited Access to Biosimilars Act (H.R. 9661)
    - Led by Committee members Congressman Nick Langworthy (R-NY) and Congresswoman Kim Schrier (D-WA), this bill would streamline and accelerate biosimilar approvals by reducing unnecessary clinical trial requirements. Reducing duplicative or unnecessary studies would preserve FDA's rigorous safety and effectiveness standards while lowering development costs and bringing biosimilars to market more efficiently.

Conclusion

ERIC remains committed to working with the Subcommittee and Congress to advance policies that improve access, affordability, quality, transparency, and patient safety. The recommendations outlined above would address key drivers of rising costs while strengthening the employer-sponsored health system that serves more than 160 million American workers and their families. We look forward to working with the Committee to develop and enact meaningful reforms.