Trump Finalizes Pharmacy Benefit Manager Transparency Rule (1)

Oct 29, 2026, 11:01 AM EDT

Lauren Clason
Health reporter

Summary by Bloomberg AI

- The Trump administration finalized a rule requiring pharmacy benefit managers to disclose detailed compensation to employers and other health plan sponsors, including revenue from drug manufacturer rebates and pharmacy contracts.
- The rule also requires PBMs to disclose conflicts of interest, clarify their fiduciary role and authority, and provide information on "spread pricing" arrangements and "price protection" agreements with drugmakers.
- The rule takes effect 60 days after publication and applies to plan years beginning after July 1, 2027, and may draw legal challenges from the Pharmaceutical Care Management Association, which argues it exceeds the department's authority.

The Trump administration finalized a rule Thursday mandating financial disclosures from pharmacy benefit managers, teeing up a potential legal battle with the industry.

The rule from the Employee Benefits Security Administration requires PBMs to disclose detailed compensation to employers and other health plan sponsors, including revenue from drug manufacturer rebates and pharmacy contracts.

PBMs must also report conflicts of interest as well as clarify their fiduciary role and authority to change a plan’s drug formulary. Health plans will be entitled to an auditor of their choice and information needed to meet their legal responsibilities to ensure that vendor compensation is reasonable under the Consolidated Appropriations Act of 2021.

PBMs have come under broad bipartisan fire for their role managing drug prices for health plans, with critics accusing the companies of inflating prices to pad their profits. The industry, which includes Cigna Group, CVS Health Corp., and UnitedHealth Group Inc., says the backlash is misplaced, and argues their negotiations with drugmakers help keep costs from increasing further.

The rule applies to vendors expecting to receive more than $1,000 in PBM or related brokerage and consulting services provided to large self-insured employers, which are typically covered by the Employee Retirement Income Security Act. Disclosures are required on an ongoing basis, including 90 days ahead of a contract renewal.

The disclosures include “spread pricing” arrangements, in which a PBM pays a pharmacy less for a drug than what the health plan paid. It also includes “price protection” agreements with drugmakers and incentives for granting enrollees easier access and better pricing to a particular drug.

The rule takes effect 60 days after publication and applies to plan years beginning after July 1, 2027.

The Pharmaceutical Care Management Association has fought the rule, saying it’s duplicative of other transparency provisions in the Consolidated Appropriations Act of 2026, and **warning** that it exceeds the department’s authority by mandating disclosures not required under ERISA. But transparency advocates say the rule is complementary to the legislation, because they’re drafted under separate parts of ERISA and focus on different reporting categories.

EBSA head Daniel Aronowitz said the new rule is intentionally harmonized with the requirements under the CAA of 2026. The rule helps employers evaluate the reasonableness of third-party contracts, while the legislation will help them retrospectively evaluate drug pricing trends in their claims.

“The Department concluded that Congress intended both types of disclosures to exist,” he said at a press event Thursday.

The rule could draw legal challenges. PCMA previously pointed to the US Supreme Court’s 2024 decision of ***Loper Bright Enterprises v. Raimondo***, which overturned the longstanding **Chevron** doctrine requiring deference to agency interpretations in ambiguous rules. PCMA said Thursday the rule would encourage industry consolidation.

“The Department has made modest efforts to harmonize the rule with the recently enacted federal law, but we are concerned it may have exceeded Congress’s intent and its own authority,” PCMA President and CEO David Marin said in a statement. “Patients, employers, and unions will have no new meaningful transparency from this action, but prescription drug benefits will now be more expensive.”

But other PBMs that already market themselves as transparent celebrated the rule alongside employers. Joseph Shields, president of trade group Transparency Rising, said on a press call the day before the rule was released that calls to withdraw the rule “simply ring hollow.”

Employer groups celebrated the rule as well. Christina Strogis, director of health policy and federal affairs for large employer group the ERISA Industry Committee said the information will be invaluable in lowering health costs.

“Disclosing the net effective cost of each bid in a standard format would allow employers to compare offers side-by-side and understand what their plans would actually pay and save,” she said on the call.

To contact the reporter on this story: **Lauren Clason** in Washington
at **lclason@bloombergindustry.com**