



May 22, 2024

**Via Electronic Delivery**

The Honorable Jodey Arrington  
Chairman  
House Committee on the Budget  
204 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Brendan Boyle  
Ranking Member  
House Committee on the Budget  
204 Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Arrington and Ranking Member Boyle:

As the Executive Director of the Coalition Against Socialized Medicine (CASM), I feel very passionate about America's free-market system and believe that it is one of our nation's vital assets. This is particularly true in the healthcare sector, which is experiencing significant consolidation that impacts patient access to life-saving treatments, cures, and essential medical services. The hearing, "[Breaking Up Health Care Monopolies: Examining the Budgetary Effects of Health Care Consolidation](#)," is crucial to address and rectify the ongoing vertical integration in this critical market.

Massive health insurance companies and pharmacy benefit manager (PBM) conglomerates, like UnitedHealth Group, have been the primary directors and beneficiaries of this rapid consolidation within our nation's healthcare industry. These corporations now have outsized market control, which allows them to directly [determine](#) how much patients pay for their drugs and also control health insurance formularies. It has also been [well-documented](#) that PBMs engage in spread pricing — the practice of overcharging patients while underpaying pharmacies and pocketing the difference. They also use their market control to steer patients toward higher-priced drugs and away from unaffiliated pharmacies that will not divert funds to these corporate giants.

This behavior transpires in an extremely consolidated market. Just three of these massive companies process [80 percent](#) of all prescription drug claims. These conglomerates have corporate [umbrella](#) structures that include more than insurers and PBMs; they also include specialty pharmacies and healthcare providers.

UnitedHealth Group, which was placed in the [spotlight](#) earlier this month following a cyberattack on one of its many subsidiaries, Change Healthcare, is a prime example of this. The massive company employs or is affiliated with nearly [10%](#) of all physicians in America, and its [subsidiaries](#) include a bank, urgent care providers, surgery centers, and more. All of this business is paying off, as the company's revenue grew to over [\\$370 billion](#) in 2023 and could be worth [\\$1 trillion](#) by 2030 if Congress does not act.

Moreover, PBMs are [exempt](#) from anti-kickback corruption laws, allowing them to reap these massive profits. The UnitedHealth fantastically lucrative financial [partnership](#) with the once-trusted

senior advocate AARP has exacerbated this problem as the company extends its reach in the healthcare space, particularly among senior citizens.

Free-market reforms are essential to protecting patients, preserving our healthcare system, and upholding our nation's free-market values. Rent-seeking PBMs consistently use [anti-competitive](#) tactics to drive up patient costs and, therefore, line their own pockets. Transparency requirements and [de-linking](#) PBM profits from list prices would begin to reintroduce market forces to rein in these behemoths that have subsumed the U.S. healthcare sector.

Capitalism works. When allowed to function, the free market will generate the best outcomes for consumers. This all goes awry when a few massive healthcare cartels are allowed to dominate the entire healthcare system and control patients' insurance, medications, and doctors. I [urge](#) Congress to use this opportunity to step in to stop these giants and return to the values on which our economy was built.

Sincerely,

A handwritten signature in black ink that reads "Andrew M. Langer". The signature is written in a cursive style with a large, stylized initial "A".

Andrew Langer

Executive Director

Coalition Against Socialized Medicine (CASM)