

119TH CONGRESS
1ST SESSION

H. R. 4409

To prohibit the common ownership pharmacy benefit managers and pharmacies that provide services under contracts with Federal health plans for Federal employees.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 2025

Mr. KRISHNAMOORTHY (for himself and Mrs. HARSHBARGER) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To prohibit the common ownership pharmacy benefit managers and pharmacies that provide services under contracts with Federal health plans for Federal employees.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Pharmacies for
5 Federal Employees Act of 2025”.

6 **SEC. 2. PROHIBITIONS RELATING TO ANTICOMPETITIVE**
7 **PHARMACY OWNERSHIP AND CONTRACTS.**

8 (a) PROHIBITION ON PHARMACY OR PHARMACY BEN-
9 EFIT MANAGER OWNERSHIP BY ENTITIES PROVIDING IN-

1 SURANCE UNDER FEDERAL EMPLOYEE HEALTH
 2 PLANS.—It shall be unlawful for the Office of Personnel
 3 Management to contract with a Federal employee health
 4 benefit qualified carrier who—

5 (1) directly or indirectly owns, operates, con-
 6 trols, or directs the operation of the whole or any
 7 part of a pharmacy; or

8 (2) directly or indirectly owns, operates, or con-
 9 trols the whole or any part of a pharmacy benefit
 10 manager, or is directly or indirectly owned, operated,
 11 or has its operation directed by the whole or in any
 12 part by a pharmacy benefit manager.

13 (b) PROHIBITION ON PHARMACY OWNERSHIP BY EN-
 14 TITIES PROVIDING PHARMACY BENEFIT MANAGEMENT
 15 SERVICES UNDER FEDERAL EMPLOYEE HEALTH
 16 PLANS.—It shall be unlawful of the Office of Personnel
 17 Management or a Federal employee health benefit quali-
 18 fied carrier to contract or subcontract with a pharmacy
 19 benefit manager who directly or indirectly owns, operates,
 20 controls, or directs the operation of the whole or any part
 21 of a pharmacy.

22 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
 23 tion shall be construed to limit the authority of the Fed-
 24 eral Trade Commission, the Inspector General of the De-
 25 partment of Justice, the Department of Health and

1 Human Services, or the attorney general of a State under
2 any other provision of law.

3 (d) DEFINITIONS.—In this section:

4 (1) HEALTH PLAN.—The term “health plan”
5 means a group insurance policy or contract, medical
6 or hospital service agreement, membership or sub-
7 scription contract, or similar group arrangement
8 provided by a carrier for the purpose of providing,
9 paying for, or reimbursing expenses for health serv-
10 ices.

11 (2) PERSON.—The term “person” has the
12 meaning given the term in section 8 of the Sherman
13 Act (15 U.S.C. 7).

14 (3) PHARMACY.—

15 (A) IN GENERAL.—The term “pharmacy”
16 means any person, business, or entity licensed,
17 registered, or otherwise permitted by a State or
18 a territory of the United States to dispense, de-
19 liver, or distribute a controlled substance, pre-
20 scription drug, or other medication—

21 (i) to the general public; or

22 (ii) to a bed patient for immediate ad-
23 ministration.

24 (B) INCLUSIONS.—The term “pharmacy”
25 includes—

- 1 (i) a mail-order pharmacy;
- 2 (ii) a specialty pharmacy;
- 3 (iii) a retail pharmacy;
- 4 (iv) a nursing home pharmacy;
- 5 (v) a long-term care pharmacy;
- 6 (vi) a hospital pharmacy;
- 7 (vii) an infusion or other outpatient
- 8 treatment pharmacy;
- 9 (viii) any organization the National
- 10 Provider Identifier (NPI) registration of
- 11 which has 1 or more taxonomy codes under
- 12 the pharmacy section of the National Uni-
- 13 form Claim Committee (or a subsequent
- 14 organization); and
- 15 (ix) any other type of pharmacy.

16 (4) PHARMACY BENEFIT MANAGER.—The term
17 “pharmacy benefit manager” means any person,
18 business, or other entity, such as a third-party ad-
19 ministrator, regardless of whether such person, busi-
20 ness, or entity identifies itself as a pharmacy benefit
21 manager, that, either directly or indirectly through
22 an intermediary (including an affiliate, subsidiary,
23 or agent) or an arrangement with a third party—

1 (A) acts as a negotiator of prices, rebates,
2 fees, or discounts for prescription drugs on be-
3 half of a health plan or health plan sponsor;

4 (B) contracts with pharmacies to create
5 pharmacy networks and designs and manages
6 such networks; or

7 (C) manages or administers the prescrip-
8 tion drug benefits provided by a health plan, in-
9 cluding the processing and payment of claims
10 for prescription drugs, arranging alternative ac-
11 cess to or funding for prescription drugs, the
12 performance of utilization management services,
13 including drug utilization review, the processing
14 of drug prior authorization requests, the adju-
15 dication of appeals or grievances related to the
16 prescription drug benefit, contracting with net-
17 work pharmacies, controlling the cost of covered
18 prescription drugs, or the provision of related
19 services.

20 (5) QUALIFIED CARRIER.—The term “qualified
21 carrier” means a voluntary association, corporation,
22 partnership, or other nongovernmental organization
23 which is lawfully engaged in providing, paying for,
24 or reimbursing the cost of, health services under
25 group insurance policies or contracts, medical or

1 hospital service agreements, membership or subscrip-
2 tion contracts, or similar group arrangements, in
3 consideration of premiums or other periodic charges
4 payable to the carrier, including a health benefits
5 plan duly sponsored or underwritten by an employee
6 organization and an association of organizations or
7 other entities described in this paragraph sponsoring
8 a health benefits plan.

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