



# From Transparency to Transformation:

## 5 Must-Know Regulatory Updates Shaping Pharmacy Benefits



New federal and state laws are fundamentally changing pharmacy benefits manager (PBM) operations, driven by a nationwide push for transparency and affordability. Here are five critical developments:

### 1 Transparency Is the Driving Force

Lawmakers and employers are demanding a clearer view into PBM revenue streams. The central theme of reform involves federal and state actions targeting how PBMs influence drug pricing.

### 2 Federal Government Enacts Landmark Reforms

A bipartisan bill signed February 3, 2026, reshapes rules for PBMs serving self-funded health plans. Key provisions include:

- **100% rebate pass-through:** PBMs must pass all drug manufacturer rebates directly to commercial group health plans.
- **Enhanced reporting:** PBMs are now required to provide more detailed reports on drug utilization and spending.

### 3 White House Focuses on Affordability

The "Great Healthcare Plan," announced January 15, pressures PBMs to lower drug costs by ending certain broker payments and mandating insurer price transparency. Additionally, the new TrumpRx online platform launched in February offers discounted cash prices for 43 common medications.

### 4 States Aggressively Target PBM Practices

States introduced over 1,500 bills in 2025 targeting specific PBM activities. Legislation focuses on pharmacy reimbursement models, rebate pass-through requirements, and utilization management practices.

### 5 Legal Challenges Create Industry Uncertainty

New regulations have triggered significant legal battles. A California lawsuit challenging PBM fiduciary duties is expected to conclude by autumn 2026. Federally, the Federal Trade Commission (FTC) settled with Express Scripts, Inc. (ESI) over insulin prices, mandating new transparency practices like eliminating spread pricing by 2027.

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