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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

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

Mr. KRISHNAMOORTHY introduced the following bill; which was referred to the Committee on _____

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”.

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

3 (a) PROHIBITION ON PHARMACY OR PHARMACY BEN-
4 EFIT MANAGER OWNERSHIP BY ENTITIES PROVIDING IN-
5 SURANCE UNDER FEDERAL EMPLOYEE HEALTH
6 PLANS.—It shall be unlawful for the Office of Personnel
7 Management to contract with a Federal employee health
8 benefit qualified carrier who—

9 (1) directly or indirectly owns, operates, con-
10 trols, or directs the operation of the whole or any
11 part of a pharmacy; or

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

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

1 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to limit the authority of the Fed-
3 eral Trade Commission, the Inspector General of the De-
4 partment of Justice, the Department of Health and
5 Human Services, or the attorney general of a State under
6 any other provision of law.

7 (d) DEFINITIONS.—In this section:

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

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

18 (3) PHARMACY.—

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

25 (i) to the general public; or

1 (ii) to a bed patient for immediate ad-
2 ministration.

3 (B) INCLUSIONS.—The term “pharmacy”
4 includes—

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

20 (4) PHARMACY BENEFIT MANAGER.—The term
21 “pharmacy benefit manager” means any person,
22 business, or other entity, such as a third-party ad-
23 ministrator, regardless of whether such person, busi-
24 ness, or entity identifies itself as a pharmacy benefit
25 manager, that, either directly or indirectly through

1 an intermediary (including an affiliate, subsidiary,
2 or agent) or an arrangement with a third party—

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

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

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

22 (5) QUALIFIED CARRIER.—The term “qualified
23 carrier” means a voluntary association, corporation,
24 partnership, or other nongovernmental organization
25 which is lawfully engaged in providing, paying for,

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