CHAMBER HILL

INSIGHTS

Senate Aging Committee Hearing on How Shoppable Services Improve Outcomes and Lower Costs

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On October 22, 2025, the Senate Special Committee on Aging held a hearing on how shoppable health services can improve outcomes and lower costs. Committee members heard testimony on different ways to reduce costs, especially for older Americans.

WITNESS TESTIMONY

- Mr. Mark Cuban, Co-Founder, Cost Plus Drugs – Testimony
- Dr. G. Keith Smith, Co-Founder, Surgery Center of Oklahoma and the Free Market Medical Association – Testimony
- Dr. Don Moulds, Chief Health Director, CalPERS – Testimony
- Dr. Jeanne Lambrew, Director of Health Care Reform and Senior Fellow, The Century Foundation – Testimony

MEMBER DISCUSSION

Prescription Drugs and Pharmacy Benefit Managers (PBMs)

One major topic of discussion was ways to address the high cost of prescription drugs. Sen. Tuberville (R-AL) asked how direct-to-patient programs, like Cost Plus Drugs save patients money. Mr. Cuban responded by saying that these companies build trust with patients through transparent pricing and can charge less as there are no intermediaries.

There was bipartisan interest in addressing concerns about PBMs. Sen Husted (R-OH) mentioned his concerns about a lack of competition if insurance companies are able to create monopolies by owning PBMs and pharmacies. He also noted his concerns that this would further increase price and push smaller independent providers out of business. Sen. Warren (D-MA) expanded on this line of questioning through the discussion of the Department of Defense TRICARE provider, Cigna, who also owns PBM Express Scripts, as well as specialty pharmacy Accredo. She noted her concern that this enables Express Scripts to highly encourage patients to use Accredo and reimburse other pharmacies at lower rates causing independent practices to go out of business.

Sen. Justice (R-WV) mentioned mimicking state legislation that passes the PBM cost savings onto patients as a way to respond to large profits by PBMs.

Pricing Transparency

Multiple senators, including Sen. Tuberville, Sen. Marshall (R-KS), and Sen. Moody (R-FL), questioned whether publishing prices encouraged patients to shop for care. Dr. Smith testified that his clinic often serves out-of-state and out-of-country patients due to their low prices. Patients were also able to use his clinic's publicly posted prices to negotiate with their local hospital systems and price match.

Chairman Scott (R-FL) and Ranking Member Gillibrand (D-NY) were curious about the logistics of reference-based pricing in the CalPERS system and how competition between hospital systems can be beneficial. Dr. Moulds emphasized that due to CalPERS' size, they had more power than smaller systems but still faced price differentials between geographic areas that had greater amounts of providers and smaller amounts of providers. Dr. Moulds was also frank that not all health services can be referenced-based, and that CalPERS makes decisions on how to balance encouraging members to receive care with the potential cost of care.

Advance Premium Tax Credits (APTC)

Sen. Gillibrand was the first of many members, including Sen. Warnock (D-GA) and Sen. Kelly (D-AZ), to highlight the increased premium costs due to the expiration of APTCs. Concerns were raised about the affordability of health insurance and how the 55-65 aged community will respond to the increased price. Dr. Lambrew emphasized that adults aged 55-65 will be the most affected by the rise in premium costs due to their reliance on the health care marketplace and their greater need to receive care. Dr. Lambrew and Mr. Cuban agreed that many will forgo health insurance to pay for other expenses.

Sen. Johnson (R-WI) pressed Dr. Lambrew on the design of the Affordable Care Act and the continued growth in health care costs. Dr. Lambrew maintained the position that although the tax credits were not part of the original design of the ACA, they were an improvement that should be continued.

We trust you found this summary useful. Please reach out to us with any questions.