



California Public Employees' Retirement System

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The Honorable John Thune
Majority Leader
U.S. Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Charles E. Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

December 5, 2025

Subject: Urging Enactment of End-of-Year Legislation to Secure Greater Health Care Affordability

Dear Majority Leader Thune, Speaker Johnson, Minority Leader Schumer, and Minority Leader Jeffries:

On behalf of the California Public Employees' Retirement System (CalPERS), I am writing to urge Congress to include several important policies designed to reduce health care costs in any end-of-year legislative package.

With more than 1.5 million members, CalPERS is the largest purchaser of public employee health benefits in California and the second largest public purchaser in the nation after the federal government. In 2024, we spent over \$12.4 billion to purchase health benefits for active and retired members and their families on behalf of the State of California (including the California State University) and nearly 1,200 public agencies and schools. Approximately 20% of our \$12.4 billion spend was for outpatient prescription drugs alone. CalPERS strongly supports legislative changes that improve health care quality, access, and affordability for our members.

In the 118th Congress, while the House and Senate worked extensively on bipartisan legislation to address rising health care costs, Congress ultimately did not pass any of the bills, and the cost of health care continues to rise. As the first session of the 119th Congress draws to a close, we encourage you to enact the following key provisions in an end-of-year package:

- **Increase health care price transparency in the commercial market.** CalPERS supports the transparency provisions contained in last session's Lower Costs, More Transparency Act ([H.R. 5378](#)), and in this session's Patients Deserve Price Tags Act, ([H.R. 5582](#) / [S. 2355](#)). Both bills would codify hospital and plan price transparency rules, and expand requirements to include hospitals, labs, imaging centers, and ambulatory surgical centers. The bills also contain important Pharmacy Benefit Manager reforms, including requiring information on drug pricing, rebates, and compensation. Collectively, these changes would provide purchasers with critical information to help control costs and empower consumers to make better informed choices about their health care, while eliminating perverse financial incentives in the pharmaceutical space. These much-needed reforms would increase competition and help ensure our members and their families are getting the prescription drugs they need at affordable costs.
- **Expand federal oversight of healthcare mergers, acquisitions, and anti-competitive contracting.** Consolidation among healthcare providers has led to increased costs and reduced access for CalPERS members, with significant financial consequences: between 2013 and 2016, markets with reduced hospital competition saw premiums rise 12%, specialist fees increase 9%, and primary care costs grow 5%.¹ We urge Congress to pass legislation to strengthen federal oversight of healthcare mergers, acquisitions, and anti-competitive contracting practices. Specifically, the Healthy Competition for Better Care Act ([S. 1451](#) / [H.R. 3120](#)), introduced last year, would promote market transparency, foster competition, drive innovation, improve quality, and reduce costs.
- **Enhance competition by addressing patent and market exclusivity abuses.** CalPERS supports policies that accelerate generic drug market entry and increase pharmaceutical competition. In particular, we urge the passage of measures contained in last session's Affordable Prescription for Patients Act ([S. 1041](#)), which limited the number of patents manufacturers can assert, thereby curbing patent thickets; and those from the Stop STALLING Act ([S. 1095](#)), which limited sham citizen petitions submitted to delay the Food and Drug Administration's review and approval process; and, from the Preserve Access to Affordable Generics and Biosimilars Act ([S. 1096](#)), which limited "pay-for-delay" schemes used by brand manufacturers to delay generic drug entry.
- **Extend pandemic-era telehealth provisions.** In 2020, the Centers for Medicare & Medicaid Services (CMS) waived several telehealth requirements during the public health emergency, including geographic and originating site requirements, and allowed reimbursement for telehealth services at the same rates as in-person care. These flexibilities transformed healthcare delivery nationwide, broadening access

¹ Scheffler RM, Arnold DR, Whaley CM. (2018, September) Consolidation Trends in California's Health Care System: Impacts on ACA Premiums and Outpatient Visit Prices. Health Affairs.
<https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2018.0472#:~:text=For%20physician%20outpatient%20services%2C%20the,other%20regulatory%20changes%20are%20suggested.>

and enabling providers to leverage technology more effectively while reducing administrative burden. The telehealth flexibilities expired with the government shutdown but were temporarily extended through January 30, 2026, under the Continuing Appropriations Act, 2026 ([H.R. 5371](#)). Without permanent legislative action, however, providers and patients face ongoing uncertainty that undermines care continuity and access. CalPERS urges Congress to extend Medicare telehealth flexibilities indefinitely.

In summary, these changes align with CalPERS policies and priorities for the benefit of our members and their families. CalPERS supports developments that are consistent with and expand upon our contractual requirements for improved transparency and cost saving measures.

Thank you for your leadership and for considering these views. We look forward to continuing to work with Congress to improve health care quality, access and affordability. Please do not hesitate to contact Donald Moulds, Chief Health Director, at (916) 795-0404, or Danny Brown, Chief of our Legislative Affairs Division, at (916) 795-2565, if we can be of any assistance.

Sincerely,

Marcie Frost
Chief Executive Officer

cc: The Honorable Michael Crapo, Chair, Senate Finance Committee
The Honorable Ron Wyden, Ranking Member, Senate Finance Committee
The Honorable Bill Cassidy, Chair, Senate Health, Education, Labor and Pensions Committee
The Honorable Bernie Sanders, Ranking Member, Senate Health, Education, Labor and Pensions Committee
The Honorable Brett Guthrie, Chair, House Energy and Commerce Committee
The Honorable Frank Pallone, Ranking Member, House Energy and Commerce Committee
The Honorable Jason Smith, Chair, House Ways and Means Committee
The Honorable Richard Neal, Ranking Member, House Ways and Means Committee
The Honorable Tim Walberg, Chair, House Education and the Workforce Committee
The Honorable Robert Scott, Ranking Member, House Education and the Workforce Committee