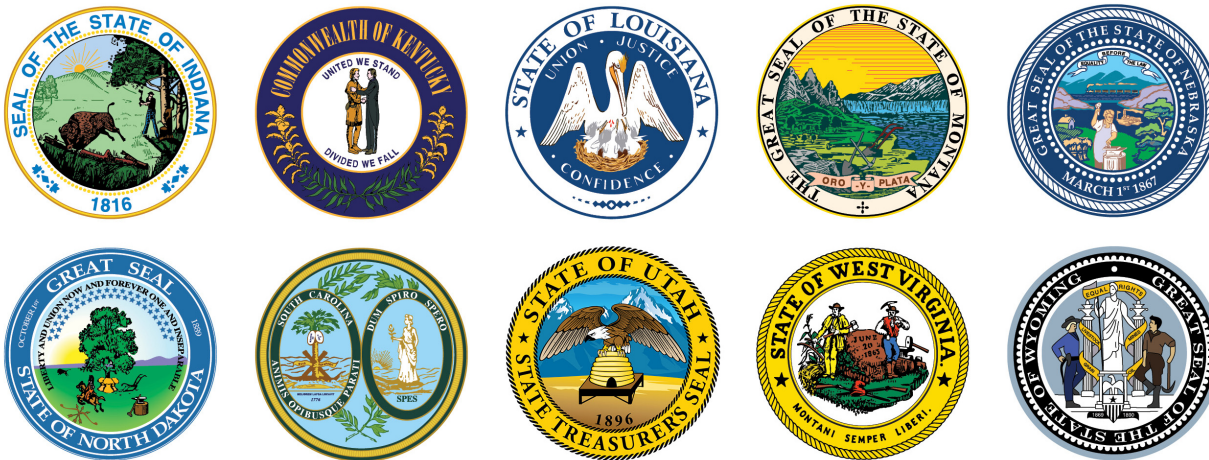




September 30, 2026

The Honorable Keith Sonderling
Acting Secretary
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Acting Secretary Sonderling:

We, the undersigned state financial officers, write to commend recent efforts by the Department of Labor (the Department) to increase ERISA group health-plan access to plan data and related transactions and decrease costs in the healthcare industry—and to indicate our willingness to encourage compliance with Department rulemaking and guidance in this regard. Healthcare overcharging raises costs for employers, employees, and patients; harms the economy; and erodes shareholder value. State financial officers are fiduciaries for public investment funds, including public-pension and sovereign-wealth funds, and thus have a direct interest in ensuring that portfolio companies preserve shareholder value by controlling group health-plan costs. In recent months, state financial officers have called on public companies to analyze employer-sponsored health-plan spending to control plan costs and protect shareholder value. State financial officers also steward state spending on Medicaid programs and state-employee health plans, and have a vested interest in that capacity to full fee disclosures and transaction-level claims data from service providers like third-party administrators (TPAs) and pharmacy benefit managers (PBMs).

We stand ready to encourage public-company plan sponsors, and health-plan service providers where appropriate, to comply with required service-provider contracting provisions and cost-containment initiatives, such as prohibitions on contractual language that limits plan audit rights, and requirements that service providers provide transaction-level claims and payment data in a standardized, machine-readable format so companies can properly analyze it.

I. State Financial Officers Have Taken a Leadership Role in Calling for Public Companies to Analyze Healthcare Spending to Control Costs and Protect Shareholder Value

As fiduciaries for public investment funds holding shares in public companies, state financial officers have a strong interest in healthcare cost control to preserve shareholder value of portfolio

companies. Healthcare overcharging in the United States erodes shareholder value by driving up costs for employers (and patients).¹ In 2024, healthcare spending in the U.S. reached *\$5.3 trillion*, which amounts to 18.0 percent of GDP.² And healthcare costs clearly impact corporations' bottom lines, as employer spending on group health-plan coverage exceeded \$1.4 trillion in 2024 and is growing by over five percent every year.³

State financial officers have assumed a leadership role in demanding corporate health-plan cost control. In December 2025, 17 state financial officers sent a letter to Fortune 500 companies highlighting those companies' fiduciary duties under ERISA and Department guidance and urging them to undertake a detailed payment-integrity analysis of their spending on employer-provided health plans.⁴ The letter explicitly tied waste to pension portfolio performance, noting that "[h]ealthcare overcharging . . . erodes shareholder value" for public companies in which state funds invest.⁵ The letter highlighted common abusive practices of PBMs and TPAs that could be uncovered through a payment-integrity analysis, and encouraged companies to require actual payment and claims data from health-plan service providers and to ensure meaningful claims analysis by securing full audit rights.⁶ Finally, the letter concluded with a series of questions to evaluate the extent to which each company is fulfilling its fiduciary duties to pay only reasonable plan expenses, prudently select and monitor health-plan service providers, and ensure that its contracts with TPAs and PBMs contain no restrictions on audit rights.⁷

II. State Financial Officers Stand Ready to Encourage Companies to Comply with Additional Department of Labor Rules and Guidance

We commend the Department's expanded initiatives in recent years to require accountability for controlling health-plan spending, including guidance last year regarding the Consolidated Appropriations Act of 2021's (CAA) Gag Clause Prohibition and this year's proposed rulemaking regarding PBM fee disclosures—and we stand ready to support the Department's ongoing efforts by continuing to encourage compliance. The Department should continue to find new ways to hold health-plan service providers accountable and equip employer plan sponsors to insist on full service-provider fee disclosures and payment transparency so that they can ensure they are paying

¹ See, e.g., https://www.ftc.gov/system/files/ftc_gov/pdf/pharmacy-benefit-managers-staff-report.pdf; <https://oversight.house.gov/release/hearing-wrap-up-oversight-committee-exposes-how-pbms-undermine-patient-health-and-increase-drug-costs/>; <https://www.patientrightsadvocate.org/pricevariationreport>; <https://pmc.ncbi.nlm.nih.gov/articles/PMC3999538/>.

² <https://www.ama-assn.org/about/ama-research/trends-health-care-spending>.

³ <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet> (click NHE Projections - Tables, Table 17); see <https://www.reuters.com/markets/us/us-employers-expect-nearly-6-spike-health-insurance-costs-2025-mercer-says-2024-09-12/> (expecting a 5.8 percent cost increase for employers in 2025); <https://www.kff.org/health-costs/annual-family-premiums-for-employer-coverage-rise-6-in-2025-nearing-27000-with-workers-paying-6850-toward-premiums-out-of-their-paychecks/> (reporting 6 percent increase in family premiums in 2025); <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet> (click NHE Projections - Tables, Table 17) (projecting employer spend of over \$1.5 trillion in 2025).

⁴ <https://sfof.com/wp-content/uploads/2025/12/Healthcare-Pricing-Transparency-Letter2.pdf> (p. 1–2).

⁵ <https://sfof.com/wp-content/uploads/2025/12/Healthcare-Pricing-Transparency-Letter2.pdf> (p. 1).

⁶ <https://sfof.com/wp-content/uploads/2025/12/Healthcare-Pricing-Transparency-Letter2.pdf> (pp. 2–3).

⁷ <https://sfof.com/wp-content/uploads/2025/12/Healthcare-Pricing-Transparency-Letter2.pdf> (pp. 4–5).

only reasonable plan expenses. Increased accountability will also help the market as a whole gain much-needed visibility into healthcare prices.

In the current environment, employer plan sponsors have had to resort to costly and time-consuming litigation in order to obtain full claims data from health-plan service providers. For example, since 2023, Owens & Minor, Inc., has twice sued Anthem Blue Cross and Blue Shield for access to claims data needed to assess plan performance.⁸ And in that same time period, four different companies have sued Aetna for a variety of alleged ERISA violations, including the “claim that Aetna withheld medical claims data from the employers and only gave information for limited ‘cherry-picked’ claims.”⁹

Such litigation shows that the Department’s January 2025 guidance regarding compliance with the CAA’s Gag Clause Prohibition was much needed, but additional measures may still be necessary. *See* 29 U.S.C. § 1185m (codifying the Prohibition). The guidance gave companies more tools to enforce the Prohibition,¹⁰ since restrictions in healthcare vendors’ contracts with plans continued to limit data access and audit rights even after Congress enacted the CAA.¹¹ But despite that guidance, employers asking for plan data still often discover prohibited gag clauses—even when an insurer or TPA has previously certified that a contract does not contain a gag clause.¹²

The Department’s January 2026 proposed rule to improve the transparency of PBM fee disclosure is also a critical step towards accountability in employer-sponsored health plans.¹³ The proposed rule would help expose conflicts of interest that are pervasive within the PBM industry, enable meaningful fiduciary oversight of specific categories of PBM compensation, and help plan sponsors satisfy the requirement under ERISA to pay only reasonable plan expenses and health-plan service-provider fees.¹⁴

The proposed rule contains significant transparency measures in its current form but could be strengthened. State financial officers filed a comment to encourage the Department to expand the proposed rule to: (1) cover all health-plan service providers so fiduciaries can fulfill their duty to pay only reasonable plan expenses; and (2) require that service providers disclose to plan sponsors and auditors transaction-level claims and payment data in standardized, machine-readable formats.¹⁵ Access to transaction-level claims data is “the employer’s equivalent of a receipt,”¹⁶ and

⁸ <https://storage.courtlistener.com/recap/gov.uscourts.vaed.534473/gov.uscourts.vaed.534473.1.0.pdf> (¶¶ 8–10); <https://storage.courtlistener.com/recap/gov.uscourts.vaed.563451/gov.uscourts.vaed.563451.84.0.pdf> (¶¶ 1–13).

⁹ <https://sourceonhealthcare.org/self-funded-employer-suits-against-third-party-administrator-may-be-the-beginning-of-a-larger-trend/>.

¹⁰ <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/aca-part-69.pdf> (pp. 11–15).

¹¹ https://members.pbgh.org/wp-content/uploads/2024/03/PBGH-Response-to-ERISA-RFI_3.15.2024_Final.pdf (pp. 13–15).

¹² *See* <https://www.mcgoanbrabender.com/blog/compliance-in-motion-december-2025/>; <https://www.help.senate.gov/imo/media/doc/5c4f7817-d6d7-43a9-bfc9-dcc28f188898/Deacon%20Testimony.pdf> (pp. 9–10).

¹³ <https://www.federalregister.gov/documents/2026/01/30/2026-01907/improving-transparency-into-pharmacy-benefit-manager-fee-disclosure>.

¹⁴ *See* <https://sfof.com/wp-content/uploads/2026/04/SFOF-DOL-HCPT-Comment-Letter.pdf> (pp. 3–5).

¹⁵ <https://sfof.com/wp-content/uploads/2026/04/SFOF-DOL-HCPT-Comment-Letter.pdf> (p. 9).

¹⁶ <https://www.help.senate.gov/imo/media/doc/5c4f7817-d6d7-43a9-bfc9-dcc28f188898/Deacon%20Testimony.pdf> (p. 9).

is “the single most important leverage point” that an employer has in controlling costs.¹⁷ Without access to “payment transparency, price transparency is incomplete.”¹⁸

We also respectfully request that the Department consider expanding its enforcement efforts against TPAs engaged in abusive practices designed to obfuscate compensation and payment data from group health plans. The broad investigatory authority provided to the Department under ERISA could be an effective tool to complement the Department’s regulatory efforts in favor of transparency and prevent the types of abuses alleged by companies in ERISA litigation against TPAs.

In conclusion, we appreciate the Department’s ongoing commitment to the financial well-being of all Americans by increasing transparency related to service-provider fees, payments, and other data for ERISA group health-plan sponsors. We stand ready to support your efforts in this critical endeavor by playing a continued role in encouraging companies to comply with the Department’s recent and pending guidance and rulemaking in this area.

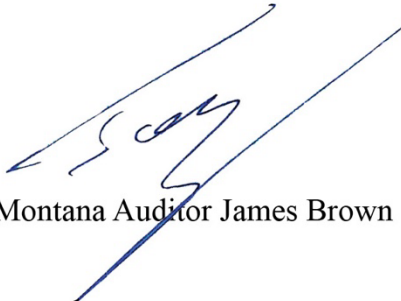
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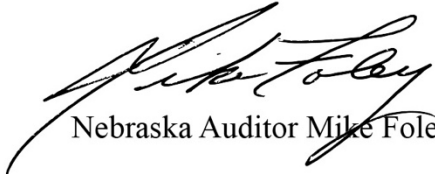

Indiana Comptroller Elise Nieshalla


Kentucky Auditor Allison Ball


Kentucky Treasurer Mark Metcalf


Louisiana Treasurer John Fleming


Montana Auditor James Brown


Nebraska Auditor Mike Foley

¹⁷

<https://static1.squarespace.com/static/60065b8fc8cd610112ab89a7/t/68e953124cd2f4310b081790/1760121629458/The+Health+Plan+Turnaround.pdf> (p. 6, PDF at 7)

¹⁸ <https://www.help.senate.gov/imo/media/doc/5c4f7817-d6d7-43a9-bfc9-dcc28f188898/Deacon%20Testimony.pdf> (p. 9).



Nebraska Treasurer Joey Spellerberg



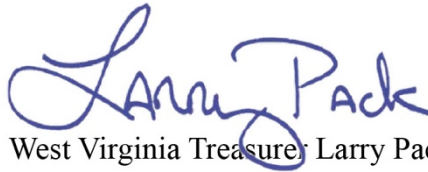
North Dakota Treasurer Thomas Beadle



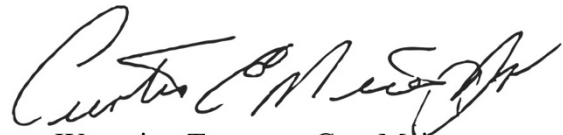
South Carolina Treasurer Curtis Loftis



Utah Treasurer Marlo Oaks



West Virginia Treasurer Larry Pack



Wyoming Treasurer Curt Meier