DOL Finalizes PBM Fee Disclosure Rule: What Self-Insured Plan Sponsors Need to Know

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On Oct. 29, 2026, the DOL's Employee Benefits Security Administration finalized its long-awaited rule requiring pharmacy benefit managers ("PBMs") and their affiliated brokers and consultants to disclose their fees and compensation to large, self-insured group health plans. The disclosures are a condition of ERISA Section 408(b)(2)'s prohibited transaction exemption, as amended by the Consolidated Appropriations Act, 2026. The rule covers self-insured plans with at least 100 participants or sponsored by employers with at least 100 employees, and it applies to plan years beginning on or after July 1, 2027 (Jan. 1, 2028, for calendar-year plans).

Key Requirements

PBMs must disclose direct and indirect compensation, including rebates, spread compensation, and pharmacy recoupments. They must also disclose net drug prices by National Drug Code. Disclosures are due before contracting (90 days before a renewal is deemed reasonable) and every six months after that. Plans may audit the disclosures annually using an auditor they choose.

Practical Takeaways

The rule does not require PBMs to lower their fees. Plan sponsors should review their PBM contracts before renewal, confirm which plan fiduciary is responsible for selecting the PBM and receiving disclosures, and document a process for reviewing disclosures to ensure that PBM compensation is reasonable.

If you have questions about how the final rule affects your plan or your PBM contract, please contact a member of the Haynes Boone Employee Benefits and Executive Compensation Practice Group.

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