

The FTC voted in July to walk back its stance on PBMs, noting its previous guidance to relax oversight no longer reflects current market guidelines. The new stance warns against relying on advocacy letters published between 2004 and 2014 that opposed mandatory transparency policies and regulatory measures for benefit managers.

Instead, Khan announced an inquiry into the PBM industry to investigate whether the former policies adequately oversee the health care companies — prompting an outcry from critics who say such a move ignores ethical guidelines to push forward a “progressive agenda.”

Many thanks to [@Commpharmacy](#) for the invitation and thoughtful discussion. Addressing unlawful business practices that are depriving Americans of affordable medicines and impeding fair competition is a top priority. <https://t.co/ExlqVjpgHe>

— Lina Khan (@linakhanFTC) October 3, 2022

“The FTC’s overreach isn’t just inappropriate. It will raise drug costs for every American,” said former Rep. Ryan Costello, who served on the House Oversight Committee from 2017 to 2019.

The FTC requires agency officials to act “impartially” and not give “preferential treatment to any private organization or individual,” according to the commission’s ethics guidelines. The rules also advise employees to “avoid any actions creating the appearance that they are violating the law or ethical standards,” which AAF officials say were violated by Khan.

The most recent ethics complaint follows a similar inquiry by the House Judiciary Committee earlier this year about whether Khan has adhered to ethics advice given by the FTC’s Designated Agency Ethics Official.

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The inquiry cited an instance in which Khan failed to recuse herself as a judge in a case against Meta Platforms despite the DAEO recommending she do so, raising concerns among House Republicans “about her commitment to the fair and impartial administration of the FTC’s authorities,” the committee wrote in June.

It’s not clear how quickly the latest complaint will move through the FTC, which told the *Washington Examiner* on Thursday they have no record of a request. A spokesperson for the agency declined to comment further.

