



January 29, 2024

[submitted electronically via: HouseCorporations@rilegislature.gov]

The Honorable Joseph J. Solomon, Jr.
Chair, Rhode Island House Corporations Committee
54 Hess Ave.
Warwick, RI 02889

RE: H7139 (Lombardi) – Regulation of Pharmacy Benefit Managers – SUPPORT

Dear Chair Solomon and members of the House Corporations Committee:

The American Pharmacists Association (APhA) supports [House Bill \(H\) 7139](#) (Rep. Lombardi), which will protect Rhode Island patients' access to their medications and their trusted healthcare professional, the pharmacist.

APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession, including 2,125 licensed pharmacists in Rhode Island. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care and enhance public health. APhA represents pharmacists and students that practice in numerous settings and provide care to many of your constituents. As the voice of pharmacy, APhA leads the profession and equips members for their role as the medication expert in team-based, patient-centered care. APhA inspires, innovates, and creates opportunities for members and pharmacists worldwide to optimize medication use and health for all.

As a result of the predatory practices of pharmacy benefit managers (PBMs), patients' access to medications from their local pharmacist across the country has declined¹, taxpayer dollars have been funneled into corporate profits², and generationally owned community pharmacies have been driven out of business³. Recently, a study found that PBM tactics forced Oregon Medicaid to overpay \$1.9M on a single drug, where PBMs marked up the drug by 800 percent.⁴ Appropriate government intervention is necessary to address

¹ Rose J, Krishnamoorth R. Why your neighborhood community pharmacy may close. *The Hill*. Available at <https://thehill.com/blogs/congress-blog/healthcare/530477-why-your-neighborhood-community-pharmacy-may-close>

² 3 Axis Advisors. Analysis of PBM Spread Pricing in New York Medicaid Managed Care. Available at <http://www.ncpa.co/pdf/state-advoc/new-york-report.pdf>

³ Callahan C. Mom-and-pop pharmacies struggle to hang on. *Times Union*. Available at <https://www.timesunion.com/hudsonvalley/news/article/Mom-and-pop-pharmacies-struggle-to-hang-on-16187714.php>

⁴ <https://oregonpharmacy.org/2022/10/27/oregon-report/>

the misaligned incentives in the PBM industry that prioritize profits over patients. H7139 would address many of the underlying issues that result in harm to patients, taxpayers, and pharmacists.

H7139 would carve out PBMs from Rhode Island Medicaid Managed Care Organization (MCO) contracts after July 1, 2024, prohibit predatory pricing practices such as spread pricing, and require a pass-through pricing model. These changes would create a system of oversight of the PBM industry in Rhode Island that would ensure that taxpayer dollars are being used for their intended purpose, instead of adding to corporate profits.

An important focus of this legislation is on maintaining patient access to their lifesaving medications and preserving the pharmacist-patient relationship. This comes from the closing of loopholes that allow PBMs to impose fees on claims. It would also prohibit preferential reimbursements being paid to PBM-affiliated pharmacies and ban the practice of PBMs coercing patients to fill their prescriptions at affiliated pharmacies. Additionally, protections from PBMs are established for the 340B program to support low-income patients' access to affordable and necessary medications. Combined, these measures will prohibit PBM actions that have undermined the pharmacy business model in Rhode Island and caused many pharmacies, especially those in racial and ethnic minority communities to close, exacerbating pharmacy deserts already disproportionately affecting these neighborhoods and contributing to health inequities. By addressing these discriminatory practices, pharmacies will be able to keep their doors open to continue to support patients' access to their medications and their trusted, local pharmacist.

For these reasons, APhA supports H7139 and respectfully request your "AYE" vote. If you have any questions or require additional information, please don't hesitate to contact E. Michael Murphy, PharmD, MBA, APhA Advisor for State Government Affairs by email at mmurphy@aphanet.org.

Sincerely,



Michael Baxter
Vice President, Federal Government Affairs

cc: Representative William W. O'Brien, First Vice Chair
Representative Justine A. Caldwell, Second Vice Chair
Representative Stephen M. Casey
Representative Anthony J. DeSimone
Representative Alex S. Finkelman
Representative Brian Patrick Kennedy
Representative Michelle E. McGaw
Representative Brian C. Newberry
Representative Robert D. Phillips
Representative Brandon C. Potter
Representative Robert J. Quattrocchi
Representative Enrique Sanchez
Representative Patricia A. Serpa
Representative Brandon T. Voas