



February 12, 2024

Representative Joseph J. Solomon, Jr.  
Chair  
House Corporation  
State House  
82 Smith St.  
Providence, RI 02903

**Government Relations**

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**David A. Balasco, Esq.**  
Vice President

RE: H7139 An Act Relating to Insurance – Control of High Prescription Costs –  
Regulation of Pharmacy Benefit Managers

Dear Chairman Solomon

We write in support of H7139 a bill related to the control of high prescription costs and the regulation of pharmacy benefit managers (PBMs). In addition to making prescriptions more affordable, and subsequently accessible, for consumers, this bill also aims to prevent practices utilized by PBMs that hurt consumers, non-profit healthcare organizations, and independent pharmacies, all at the expense of PBM profits. These practices result in negative outcomes, including:

- Prioritizing PBM revenue and profits over the most clinically appropriate and least expensive medication option for patients
- Reimbursing independent pharmacies at rates lower than the rates for pharmacies owned by the PBM parent company
- Shifting revenue from non-profit organizations to the for-profit PBM and parent company
- PBMs profiting from the 340B federal program intended to assist non-profits in funding care and services for low-income patients and vulnerable populations (i.e., “discriminatory pricing”)

Lifespan has long recognized that access to medications is critical for keeping our patients healthy, preventing further escalation of chronic diseases, and decreasing overall health care costs such as the need for emergency room services and hospital admissions.

An example of some of the work we have done to make medications more accessible for our patients is the opening of a Lifespan-owned independent retail pharmacy at each of our acute care

hospitals. These pharmacies ensure that patients receiving care at our hospitals can conveniently obtain their prescriptions, eliminating barriers such as transportation issues. With our “meds-to-beds” program, we deliver our patients discharge prescriptions right to their bedside, then either work with their community pharmacy to manage the refills or deliver them to the patient’s home for free. Some of these medications are reimbursed by the PBM below the cost of the medication (i.e., “negative margin”). Because of our commitment to keeping our patients healthy, we do not let that impact our decision to dispense the medication.

Lifespan also offers a Medication Access Program (MAP) for many of our ambulatory care patients, including those receiving care at our Center for Primary Care (CPC). This clinic serves a high proportion of underserved and vulnerable populations at high risk for serious health sequela without access to medications to prevent and treat chronic diseases, such as diabetes, high blood pressure, and arrhythmias. Our MAP pharmacists and pharmacy technicians work closely with the pharmacists embedded in the clinic to assist patients with navigating barriers to filling prescriptions, such as obtaining prior authorization approval by the PBM, identifying financial assistance for prescription and co-pay costs, expediting refill authorizations, and bridging healthcare literacy gaps. This is in addition to the comprehensive medication management and monitoring that is provided by the clinic-based pharmacists.

In 2023, Lifespan’s pharmacists and pharmacy technicians assisted over 33,000 patients and 750 providers through our MAP program with over 11,000 health plan benefit investigations and assisting with over 115,000 medication refill requests, with further expansion to more patients already underway. Similar services are provided to patients that are prescribed highly potent and expensive specialty medications throughout Lifespan’s specialized practices and clinics, such as oncology, cystic fibrosis, hemophilia, HIV, and transplant. We also provide free adherence packaging (i.e., time of day medication pouches), which helps consumers take the right medications at the right time and dose.

These programs offer just some examples of how funds from our independent retail pharmacies and, where applicable, the savings through our 340B program, are utilized by Lifespan to help Rhode Island consumers access medications. The funds from these programs are also used more broadly to help offset costs for services provided to uninsured, underinsured, and vulnerable populations. In just fiscal year 2022 alone, Lifespan has provided almost \$300 million in charity care and other community benefits. These charitable efforts, specifically directed at ensuring access to care for Rhode Island consumers, offer a stark comparison to the billions of dollars in revenue (and proportional profit) that the leading PBMs make in a year.

It is imperative that PBMs no longer be allowed to utilize practices that shift funds from non-profit organizations and independent pharmacies to their for-profit corporations. These practices include those described, as well as specialty pharmacy lockouts, in which the PBM excludes independent, nationally accredited, specialty pharmacies from dispensing specialty medications for their members and instead rely on out-of-state, for-profit pharmacies, often owned by their own parent company. Another similar PBM practice is “white-bag” mandates, in which the PBM requires patients to obtain their medications for infusion at an external pharmacy, often owned by the PBM parent company, instead of the outpatient infusion centers where the medication is being

administered. Both of these additional scenarios are further examples of PBMs prioritizing their profits over patient needs.

Each dollar that is shifted to the for-profit PBMs from our independent retail pharmacies and 340B programs is that much less that we can use to fund important patient care programs such as those described.

We hope to see Rhode Island take actions like several other states that prevent PBM practices that shift scarce financial resources from consumers and non-profit organizations to their for-profit corporations.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Balasco". The signature is fluid and cursive, with the first name being the most prominent.

David A. Balasco  
Vice President, Government Relations