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Thank you Representatives Solomon, O'Brien, Caldwell and members of the Committee.

My name is Ron Lanton and I represent Northeast Pharmacy Service Corporation (NPSC). On behalf of NPSC, we stand united in support of our pharmacies behind pharmacy benefit manager legislation such as HB 7139 titled "An Act Relating to Insurance-Control of High Prescription Costs-Regulation of PBMs."

Northeast Pharmacy Service Corporation (NPSC) is a pharmacy service administrative organization (PSAO) that provides services to independent community pharmacies in New England with group purchasing opportunities, third party consultation, advocacy, regulatory affairs along with education and training on new business development.

We believe that as written, HB 7139 is a great starting point to have a discussion about the challenging environments that pharmacy benefit managers (PBMs) have created for our network pharmacies.

Lately state legislatures, Congress and even the Federal Trade Commission (FTC) have become aware of marketplace imbalances created by unchecked PBMs. Issues such as allowing more stores into PBM networks, having pharmacies get paid the same as PBM owned pharmacies and not allowing under water reimbursement on prescriptions that force pharmacies to fill drugs at a loss, have all been things that states have recently legislated to ensure that community pharmacies have a chance to even succeed. This is important since PBMs are both judge and jury around almost everything a pharmacy does.

We aren't asking the legislature to pick winners and losers. I am sure that we'll hear the other side argue that more oversight will create more costs or infringe on some proprietary piece of their operation. The Supreme Court in *Rutledge v. PCMA* put an end to that argument in 2020.

Let's also not forget that while PBMs are large employers, Rhode Island also needs small business owners to thrive so that the state has a balanced economy. We are asking today that we be allowed to find an amicable solution this session to a problem that has been many years in the making.

We look forward to serving as a resource to you.

Best regards,
Ron Lanton III, Esq.
Legislative Director
NPSC