



April 14<sup>th</sup>, 2026

The Honorable Joseph Solomon, Jr.  
The Honorable William O'Brien  
Members, House Committee on Corporations  
Room 101 - State House  
82 Smith St.  
Providence, RI 02903

**RE: H 8360 RELATING TO COMMERCIAL LAW – GENERAL REGULATORY PROVISIONS – DECEPTIVE TRADE PRACTICES; Opposed**

Chair Solomon Jr., Chair O'Brien, and Members of the Committee:

The Pharmaceutical Care Management Association (PCMA) is the national association of America's pharmacy benefit managers (PBMs). We appreciate the opportunity to comment in opposition to H 8360.

**About PBMs**

PBMs are hired by employers, unions, government programs, and others to drive down prescription drug costs and administer prescription drug plans for more than 289 million Americans. Before getting into specifics on SB 8360, there are five things to know about PBMs:

- PBMs are the only part of the drug supply chain whose primary role is to lower prescription drug costs. On average, they save patients and families about \$1,154 per person each year.
- PBMs are extremely effective at reducing prescription drug costs for employers and patients, which is why some industries that profit from high drug prices oppose them.
- PBMs work for employers, unions, and government programs who have the ultimate say on what a drug benefit looks like. PBMs carry out the chosen plan by negotiating lower drug prices, processing claims, performing safety checks, and handling related services.
- For the enormous savings and value that PBMs provide, they operate on thin profit margins.
- Hiring a PBM is optional. Employers, unions, government programs, and others choose to use PBMs because they help lower drug costs and manage prescription benefits more efficiently.

**About H 8360**

**Ban on Spread Pricing**

PBMs are compensated by employers, unions, and government programs in some mix of the

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following: spread pricing, rebates, and a flat administrative fee. BILL NUMBER removes one of the ways for the entities paying for prescription drug benefits to help hold down prescription drug costs. Employers, labor unions, and government programs always choose how to pay their PBM when they shop for services.

H 8360 would ban the use of spread pricing. Many small and mid-sized employers select spread pricing because it gives them predictable, stable drug costs without big month-to-month swings. In a spread model, those paying for prescription drug benefits (employers, labor unions, or government programs) pay a PBM one set rate for each drug, regardless of which pharmacy fills it. Just like gas stations may charge different prices for a gallon of gas, pharmacies determine what they charge for their drugs and the cost may differ.

The “spread” is simply the difference between what the PBM pays the pharmacy and what the employer pays the PBM. That difference can be either negative or positive – it transfers all the risk onto the PBM. Spread contracts incentivize PBMs to build networks of lower-cost pharmacies, and for those pharmacies to buy lower-cost versions of drugs. Passing this bill removes employer choice in how they pay for pharmacy benefits and will ultimately drive-up prescription drug costs.

### **Pharmacy Networks**

H 8360 eliminates the ability for employers, unions, and government programs to develop networks to include preferred pharmacies with lower costs: plans encourage patients to use certain pharmacies by offering lower cost sharing (such as lower copays) at those pharmacies. To participate in a plan’s network, a pharmacy must compete on service, price, convenience, and quality. Pharmacies that agree to participate in such arrangements are designated as “preferred” and become members of that network. Pharmacies participating in a preferred network, including PBM affiliate pharmacies, can provide patients with convenient access to prescriptions at discounted rates due to a predictable high volume of sales.

It’s important for you to know—Employers, unions, and other plan sponsors (not the state) are the entities that decide how to design pharmacy benefits, including whether to offer preferred pharmacy networks that can reduce patients’ out-of-pocket costs. (INSERT BILL NUMBER) eliminates the ability for employers and unions to use these cost-effective tools, limiting plan design options that offer patients the opportunity to access specific pharmacies with lower available prices for their medication. H 8360 puts pharmacy profits ahead of patient affordability.

In addition, H 8360 removes safety guardrails that protect patients. Preferred pharmacy networks help PBMs and plan sponsors coordinate care and monitor safety across participating pharmacies. For example, if a patient uses more than one pharmacy, the PBM can flag potential drug interactions and alert the pharmacist. Preferred networks also require pharmacies to meet accreditation and credentialing standards, which helps ensure they can properly store, handle, and dispense medications. By eliminating preferred networks, the bill removes these safeguards for network retail, specialty, and mail-order pharmacies.



H 8360 will raise costs and put the safety of patients at risk, without addressing the rising prices set by drug manufacturers. Instead of enacting H 8360, the legislature should put patients first.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "S. Hallemeier", written in a cursive style.

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