



Rhode Island Executive Office of Health and Human Services
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April 30, 2025

The Honorable Marvin L. Abney, Chairman
House Committee on Finance
Room 35, State House
Providence, Rhode Island 02903

RE: H 5463 – An Act Relating to State Affairs and Government – Office of Health and Human Services

Dear Chairman Abney:

The Executive Office of Health and Human Services/Medicaid would like to share information relating to **H 5463**, An Act Relating to State Affairs and Government – Office of Health and Human Services.

EOHHS/Medicaid understands that the purpose of the bill is to increase transparency regarding Medicaid managed care and pharmacy benefit managers (PBMs) and to prevent unnecessary costs. EOHHS agrees that these are important policy goals.

H 5463 would require EOHHS to require that managed care contracts contain provisions to:

- Cease spread pricing;
- Use pass-through pricing;
- Prohibit discriminatory treatment of non-affiliated pharmacies and pharmacists;
- Cease utilization management processes, including prior authorizations, step therapy and non-medical drug switching, that delay, reduce, or prevent medically necessary care;
- Ensure that enrollee benefits result from discounts, price reductions, or other financial incentives provided to PBMs by drug manufacturers; and
- Require provision of information and documents to permit enforcement of the bill.

We interpret the utilization management provision of **H 5463** to mean that contracts must ensure that all utilization management is implemented in a manner that does not delay, reduce, or prevent medically necessary care. For the avoidance of doubt, we recommend revising the bill text to simply require that MCOs submit information to EOHHS on all utilization management and formulary practices, with an explanation of how each practice is designed and implemented in a manner that does not delay, reduce, or prevent medically necessary care. Furthermore, the State could require the plans to submit all requested information and data to EOHHS as needed in order to monitor performance and ensure that these practices do not impact access to medically necessary care.

Sincerely,

Kristin Pono Sousa
Medicaid Program Director
Executive Office of Health and Human Services

CC: Honorable Members of the House Committee on Finance
Honorable Jennifer A. Stewart
Nicole McCarty, Esq., Chief Legal Counsel
Lynne Urbani, Director of House Policy