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February 29, 2024

The Honorable Susan R. Donovan, Chair
Of the House Health & Human Services Committee
Rhode Island State House
Providence, RI 02903

Re: AHIP Support for Drug Pricing Transparency

- **H-7041, An Act Relating to Business and Professions – The Prescription Drug Sales Representative Disclosure Act**
- **H-7042, An Act Relating to State Affairs and Government – The Rhode Island Health Care Reform Act of 2024 – Health Insurance Oversight**
- **H-7140, An Act Relating to Businesses and Professions – Pharmaceutical Cost Transparency**

To Chair Donovan and Members of the House Health & Human Services Committee,

On behalf of AHIP, I am writing to express our support for a package of legislation which would bring greater transparency to prescription drug pricing:

- H-7041 requires prescription drug manufacturers to file a detailed, updated list of each pharmaceutical sales representative engaged by the manufacturer and to pay an annual fee for each name listed with the Department of Business Regulation, with penalty provisions.
- H-7042 requires drug manufacturers to justify excessive price increases and prohibit them from withdraw a prescription drug from sale or distribution for the sole purposes of avoiding the penalty of a price increase, with penalty provisions.
- H-7140 directs the State Board of Pharmacy to annually identify up to fifteen prescription drugs with increased costs and provide the list to the Attorney General to obtain reasons for the cost increases.

Everyone should be able to get the medications they need at a cost they can afford. Drug prices continue to rise out of control. More than 22 cents¹ of every health care dollar spent on health insurance premiums goes to pay for prescription drugs – more than any other individual category. The problem with prescription drugs is the list price, which pharmaceutical manufacturers alone set and control, without parameters or oversight.

The lack of competition, transparency, and accountability for drug manufacturers has created price-dictating monopolies that exist nowhere else in the U.S. economy. In order to better understand what is driving prescription drug prices, policymakers and the public need more information on the factors that go into setting prices.

Every entity in the supply chain has an effect on the end price that consumers pay for drugs and should be held accountable for providing information to show how their piece of the puzzle works. Currently, there are 22 states that have passed drug transparency laws, from California and Colorado to Maine. Our recommendation is for Rhode Island to join its neighboring states on this critical issue.

¹ *Where Does Your Health Care Dollar Go? America's Health Insurance Plans*. September 6, 2022.
<https://www.ahip.org/resources/where-does-your-health-care-dollar-go>

Thank you for your consideration of our feedback. AHIP and our members plans are eager to continue to work to fight for more affordable medications for the residents of Rhode Island and patients, families, and employers across the country.

Sincerely,

America's Health Insurance Plans



By: _____
Terrance S. Martiesian

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.