



M. Teresa Paiva Weed
President

February 29, 2024

The Honorable Representative Susan R. Donovan
House Committee on Health and Human Services
State House
82 Smith Street
Providence, RI 02903

Dear Chair Donovan:

The Hospital Association of Rhode Island appreciates the opportunity to comment on **H.7443** an act that would prohibit the state, participating ERISA or any health plan from purchasing referenced drugs for a cost higher than the referenced rate.

Hospitals ensure individuals access to care, 24/7, regardless of ability to pay. Hospitals also provide essential services that contribute to the public good and help our most vulnerable populations. Across the country, there are nearly one thousand hospitals owned by state or local governments providing care of last resort. RI is unique in that it has no public hospital to meet the healthcare needs of our most vulnerable citizens. 340B hospitals in Rhode Island provide the majority of that care.

HARI is concerned that as proposed **H.7443** will weaken the already fragile financial positions of 340B hospitals and their ability to provide access to care for two reasons. First the proposed legislation does not provide protection for entities designated as 340B. The 340B program is eligible to hospitals that treat a high volume of Medicaid and uninsured patients. The program allows these hospitals to stretch their limited resources and provide additional benefits and services to underserved populations. Second, HARI is concerned that the required use of savings "to reduce cost to consumers" conflicts with the 340B intent for eligible hospitals to use savings to invest in programs that enhance patient services and access to care as intended by the program.

We appreciate your consideration and look forward to working with Chair Tanzi and this committee to strengthen the protections for 340B hospitals in this legislation and ensure access to care to Rhode Island's underserved populations

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso", is written over a horizontal line.

Lisa P. Tomasso
Senior Vice President

Hospital Association of Rhode Island

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