



February 29<sup>th</sup>, 2024

The Honorable Susan Donovan  
Members, House Committee on Health and Human Services  
Room 101 - State House  
82 Smith St.  
Providence, RI 02903

**RE: H 7443 RELATING TO FOOD AND DRUGS – PRESCRIPTION DRUG COST PROTECTION; Neither For Nor Against**

Chair Donovan and Members of the Committee,

On behalf of the Pharmaceutical Care Management Association (PCMA), I am writing you to as neither for nor against H 7443 which deals with reference pricing on certain drugs. PCMA is the national association representing pharmacy benefit managers (PBMs), which administer prescription drug plans for 275 million of Americans with health coverage provided through large and small employers, health plans, labor unions, state and federal employee-benefit plans, and government programs.

PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, most choose to because PBMs help lower the costs of prescription drug coverage.

PCMA appreciates the legislation's intent to decrease healthcare costs for patients; however, we believe H 7443 may penalize those entities that work daily to improve patient care and lower drug costs, rather than curb anticompetitive pricing practices of manufacturers. This bill would require payers to not pay more than the reference price, whether directly or through a distributor. If payment for individual transaction of a reference drug exceeds the referenced rate, payers are subject to a fine of \$1,000 for each individual transaction. Since payers do not directly purchase drugs, they reimburse pharmacies, it is not clear what purchase price the bills are targeting: the reimbursement cost the pharmacy charges the plan, or the list price that governs patient cost-sharing amounts, if applicable. PBMs do not set the list price of a drug, that lies solely on the manufacturers. While the bill has provisions to bring enforcement against manufacturers that pull from the market, there is no penalty for just keeping the price high. PCMA requests that you strike section 21-38-2 (b) since it fines the entities who have no control over the cost of a drug.

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Thank you for allowing me to comment on H 7443 and reach out to me anytime so that I may answer any questions you might have.

Sam Hallemeier

A handwritten signature in black ink, appearing to read "Sam Hallemeier", is positioned below the printed name.

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