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May 9, 2024

The Honorable Susan R. Donovan, Chairwoman
Of the House Health and Human Services Committee
State House
Providence, RI 02903

RE: AHIP Comments on H-8220, An Act Relating to Businesses and Profession – Rhode Island Drug Cost Review Commission [OPPOSE]

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

America's Health Insurance Plans (AHIP) appreciates this opportunity to respectfully express our comments on H-8220, legislation establishing the Rhode Island Drug Cost Review Commission.

For many patients, the rising cost of prescription drugs has created an affordability crisis that threatens their health and well-being. Out-of-control prices for prescription drugs are a direct consequence of drug makers taking advantage of a broken market for their own financial gain at the expense of patients. The lack of competition, transparency, and accountability in the prescription drug market has led to relentlessly climbing drug prices. Higher drug prices increase out of pocket costs for patients and threaten the affordability of – and access to – critically needed medicines.

We appreciate and share the Committee's commitment to provide Rhode Islanders access to affordable drugs. However, we have concerns that H-8220 inadvertently places the responsibility, and enforcement, of the drug prices set by the Commission on insurers. This is concerning particularly because health insurers do not control the cost of prescription drugs.

Section 5-19.3-8 outlines the process for Commission determinations, compliance, and remedies. These requirements and conditions, and the available remedies for noncompliance, inappropriately place the responsibility on insurers, and not drug manufacturers. If a drug is found to be billed and paid for at an unaffordable price, and "the commission [establishes] the level of reimbursement that shall be billed and paid among payors," there is no requirement of a drug manufacturer to *accept* that payment. Without any enforcement on the manufacturer to accept the reimbursement rate set by the Commission, we are concerned that insurers will be prohibited from paying for these drugs, resulting additional barriers for Rhode Islanders to access important, life-saving medications. H-8220 could potentially put insurers in a difficult position and expose themselves to penalties for something that they cannot control.

Under H-8220, drug manufacturers still retain a blank check to charge whatever they want.

Health insurance providers are strongly committed to ensuring that patients have access to affordable prescription drugs. It starts with addressing the list price of drugs. If drug manufacturers are allowed to continue to raise prices year-over-year with no accountability, Rhode Island businesses and consumers will not see relief when it comes to health care costs.

For these reasons, we oppose H-8220 and urge the Committee not to pass this bill.

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AHIP and its members appreciate the opportunity to provide these comments and look forward to continued discussions with you on this important issue.

Sincerely,

America's Health Insurance Plans

A handwritten signature in black ink that reads "Terrance S. Martiesian". The signature is written in a cursive style.

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.