



The Honorable Susan R. Donovan
Chairwoman
House Committee on Health and Human Services
82 Smith Street, House Lounge
Providence, Rhode Island 02903

**RE: Strong Support for H5254- AN ACT RELATING TO INSURANCE – PHARMACY
FREEDOM OF CHOICE – FAIR COMPETITION AND PRACTICES**

Dear Chairwoman Donovan,

Thank you for the opportunity to write with strong support of H5254 -An Act Relating To Insurance – Pharmacy Freedom of Choice – Fair Competition and Practices State Affairs

I am writing to express my strong support for the proposed bill that would require pharmacy benefit managers (PBMs) to reimburse pharmacists in an amount not less than the National Average Drug Acquisition Cost (NADAC) plus a dispensary fee. This bill is essential to ensure that pharmacists are fairly compensated for the vital services they provide, particularly in underserved communities.

It is worth noting that Optum Rx, one of the major PBMs, has already transitioned to the NADAC pricing model and holds the second largest Managed Care Organization (MCO) Medicaid contract in the state of Rhode Island. This shift to NADAC pricing by Optum Rx promotes transparency, choice, and competition, ultimately making prescription drugs more affordable for consumers.

If Optum Rx can successfully implement the NADAC pricing model in Medicaid, **there is no reason why other PBMs in Rhode Island should not be able to do the same.** By adopting this proven model, all PBMs can contribute to a fair and transparent healthcare system that ensures pharmacists are adequately reimbursed and residents have access to affordable medications.

I urge you to support this legislation and help create a more equitable and cost-effective healthcare environment for our state.

Sincerely,

Eugenio Fernandez

Eugenio Fernandez, Jr.
PharmD, MBA, MPH

CC: Members of the House Committee on Health and Human Services