

March 6, 2025



The Honorable Susan Donovan
The Honorable Joshua Giraldo
Members, House Health and Human Services Committee
House Lounge - State House
82 Smith St.
Providence, RI 02903

Via email: HouseHealthandHumanServices@rilegislature.gov

RE: H 5254 AN ACT RELATING TO INSURANCE -- PHARMACY FREEDOM OF CHOICE -- FAIR COMPETITION AND PRACTICES; H 5429 AN ACT RELATING TO INSURANCE -- THIRD-PARTY HEALTH INSURANCE ADMINISTRATORS -- PRESCRIPTION DRUG COST CONTROL AND TRANSPARENCY: OPPOSE

Dear Chair Donovan, Chair Giraldo, and Members of the Committee:

Thank you for the opportunity to comment on H5254, and H 5429. I represent Prime Therapeutics (Prime), a pharmacy benefit manager (PBM) owned by 19 not-for-profit Blue Cross and Blue Shield Insurers, subsidiaries, or affiliates of those Insurers, including Blue Cross & Blue Shield of Rhode Island. These bills will affect the safety of Rhode Islanders and increase the cost of health care for Rhode Island citizens. For this reason, Prime opposes H5254 and H 5429.

Prime helps people get the medicine they need to feel better and live well by managing pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. Our company manages pharmacy claims for more than 30 million people nationally and offers clinical services for people with complex medical conditions. Our business model relies on transparency and advocating for simpler, lowest-net-cost pricing for drugs. Importantly, Prime is focused on purpose beyond profits. We are not publicly traded or owned by a private equity firm. As such, it is not our primary motivation to maximize profits; our primary motivation is to do the right thing.

H 5254 An Act Relating to Insurance -- Pharmacy Freedom of Choice -- Fair Competition and Practices

H 5254 requires plans to reimburse pharmacies at the National Average Drug Acquisition Cost (NADAC) plus the Medicaid dispensing fee rate. NADAC is a price index that estimates how much pharmacies pay for prescription drugs based off of the self-reported acquisition costs of retail pharmacies. NADAC is updated weekly by the Centers for Medicare and Medicaid Services (CMS).

The Medicaid program in Rhode Island reimburses pharmacies at a lower ingredient cost than the commercial market currently pays, and a higher dispensing fee. Requiring commercial health plans to reimburse pharmacies at both a high ingredient cost and a high dispensing fee level will substantially increase the cost of drugs for the State of Rhode Island and its residents.

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H 5429 An Act Relating to Insurance – Third-Party Health Insurance Administrators – Prescription Drug Cost Control and Transparency

H 5429's broad sweeping ban on prior authorization puts patient safety at risk. Prior authorization provides an important check and balance on drugs that have dangerous side effects, could be dangerous when mixed with other drugs, or are prone to misuse. The guidelines for prior authorization are evidence based and guided by independent experts. Removing the ability for plans to utilize prior authorization jeopardizes patient safety.

I welcome the opportunity to further discuss these concerns and work towards evidence-based solutions to help people get the medicine they need to feel better and live well. Thank you for your time and consideration.

Respectfully,



Michelle Crimmins
Government Affairs Principal

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