



Howard M. Dulude  
Interim President

March 6, 2025

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.5860** 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 play a critical role in ensuring round-the-clock access to care for all individuals, regardless of their ability to pay. In addition to providing essential healthcare services, hospitals serve as vital safety nets for Rhode Island's most vulnerable populations. Unlike many other states with public hospitals, Rhode Island relies on 340B hospitals to fulfill this mission. These hospitals bear the responsibility of delivering high-quality care to underserved communities while navigating significant financial challenges.

HARI is deeply concerned that **H.5860**, as currently drafted, could further destabilize the already fragile financial positions of 340B hospitals, jeopardizing their ability to provide access to care. Our concerns stem from two key issues:

- 1- **Lack of Protections for 340B Hospitals:** The proposed legislation does not include provisions safeguarding 340B entities. The 340B program is essential for hospitals serving a high volume of Medicaid and uninsured patients, allowing them to reinvest savings into expanded services, community outreach, and improved patient care. Without explicit protections, the bill could undermine these hospitals' ability to sustain these vital programs.
- 2- **Misalignment with the Intent of the 340B Program:** The bill's requirement that savings be used solely to reduce consumer costs conflicts with the fundamental purpose of the 340B program. Eligible hospitals rely on these savings to fund critical programs that enhance patient services and expand access to care, as the program was originally designed to support. Restricting their ability to reinvest in these initiatives could have unintended consequences for Rhode Island's most vulnerable populations.

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", written over a light blue horizontal line.

Lisa P. Tomasso  
Senior Vice President

Hospital Association of Rhode Island

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