

April 10, 2025

The Honorable Susan R. Donovan  
Of the House Health and Human Services Committee, Chair  
Rhode Island State House  
82 Smith St., Providence, RI 02903

**RE: AHIP Comments on H.5634, An Act Relating to Businesses and Professions –  
Defending Affordable Prescription Drug Costs Act**

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

AHIP appreciates the opportunity to comment on H.5643, 340B nondiscrimination legislation which likely runs afoul of federal preemption because of its application to self-insured Employee Retirement Income Security Act of 1974 (ERISA) covered plans.

Today, more than half of Americans receive their health insurance through employer coverage that is governed by ERISA, which affords employers consistency and uniformity of health plan administration. This encourages health care coverage that improves the health and financial stability of employees and their families. In Rhode Island, nearly 500,000 residents (over 46% of the state's covered population) are covered by employer-provided health insurance. Of those Rhode Island employers that provide coverage to their employees, 59% offer self-insured ERISA plans.<sup>1</sup>

**AHIP strongly opposes any attempt to regulate ERISA self-funded plans beyond the limits allowed under federal preemption law and jurisprudence.** We are concerned that the proposed definition for “Health insurer” in Section 5-19.3-2(3) “includes any entity defined as an ‘insurer’ under § 42-62-4 and any third-party administrator”, thereby expanding the bill’s scope of coverage to include self-funded plans that are preempted by ERISA. Should the proposed policies be enacted, it may jeopardize the cost-saving, uniform standards your state’s self-insured ERISA employers rely upon to provide affordable health insurance coverage to their employees.

**AHIP supports a single, cost-saving national standard of regulation for employer-provided health care coverage** – one that gives employers the option to assume financial risk and allows employers to choose specifically tailored and uniform benefits for their employees regardless of where they live. This ensures more affordable coverage that is easier to administer and understand. The alternative, a 50-state patchwork of complicated and inconsistent mandates for employer provided coverage, would cause confusion, and make coverage more expensive for Rhode Island employers and employees.

**We are providing a legal analysis supporting this position.** The Groom Law Group prepared the attached detailed legal analysis, including a discussion of the ERISA and jurisprudence landscape, a description of the specific provisions included in H.5634 of concern, and the basis for the federal preemption.

**AHIP Recommendation: AHIP urges you not to pass H.5634.** Thank you for your consideration of this important request. AHIP and our member plans stand ready to work with you on this issue. Together, we

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<sup>1</sup> [\[AHIP, Health Coverage: State-to-State – February 2023\].](#)

can advance market-based innovative policy solutions that ensure consumers and employers have access to high-quality and affordable care choices that deliver financial protection and peace of mind – now and for the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Lynn Geiger". The signature is fluid and cursive, with the first name "Sarah" being more prominent.

Sarah Lynn Geiger, MPA  
Regional Director, State Affairs  
America's Health Insurance Plans

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](http://www.ahip.org) to learn how working together, we are Guiding Greater Health.