

March 24, 2026

The Honorable Susan Donovan Chair
House Health and Human Services Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903
Delivered via email

RE: H 7539 – AN ACT RELATING TO INSURANCE -- BENEFIT DETERMINATION AND UTILIZATION REVIEW ACT (Step Therapy Restrictions)

Dear Chair Donovan and Members of the Committee,

On behalf of Harvard Pilgrim Healthcare, a Point32Health company, which provides employer-based health insurance coverage to thousands of Rhode Islanders, I am writing to express our significant concerns regarding **House Bill 7539**. While we share the goal of ensuring patients receive timely and effective medical care, the restrictions placed on step therapy in this legislation will lead to unintended consequences, including increased healthcare costs for Rhode Island employers and a reduction in evidence-based clinical management.

Step therapy is a critical tool used by health plans to ensure that patients receive the most cost-effective, clinically appropriate treatments first before trying more expensive medications. These protocols are developed by independent committees of physicians and pharmacists based on the latest medical research. By restricting this practice, H 7539 undermines our ability to manage the rising cost of prescription drugs.

Our specific concerns with H 7539 include:

- **Impact on Affordability and Premiums:** By limiting step therapy to a single failed medication and a maximum duration of 30 days (lines 18-24 on page 3), this bill will result in more members receiving high-cost specialty drugs prematurely and, in some cases, without sufficient evidence they are necessary.

Moreover, the step therapy exceptions enumerated on pages 2 and 3 of the legislation are overly broad and will lead to providers requesting step therapy exceptions in nearly all cases in which they may be required. Practically, this will blunt the impact of medical management policies intended to promote the adoption of cost-effective treatment.

For employer groups, the cumulative impact of these provisions will inevitably lead to higher premiums, as the ability to utilize lower-cost, equally effective generic alternatives is severely curtailed. Pharmaceutical costs are the single fastest-growing driver of medical trend right now, leading to higher premiums for employers and individuals who purchase coverage in Rhode Island. We encourage the committee to review pharmaceutical spending data before creating policy that could make these trends worse.

- **Broad Categorical Exemptions:** The bill prohibits step therapy for treatments related to cancer, serious mental illness, and rare diseases. While these are sensitive areas, they are also sectors of the pharmaceutical market seeing the highest price increases. Oncology drugs, in particular, have experienced significant price increases in recent years, driven by both higher launch prices from manufacturers and consistent year-over-year price increases. Removing utilization management tools in these categories prevents health plans from steering patients toward high-value treatments that are clinically equivalent to more expensive brand-name options and will increase total health care costs.
- **Administrative Feasibility and "Presumed Granted" Clause:** The 24-to-72-hour turnaround time for exception requests, coupled with the provision that requests are "presumed granted" if not addressed, creates a high risk for administrative errors and prevents a thorough clinical review. This "default to approval" bypasses the very safety and efficacy checks that utilization review is designed to provide.

Harvard Pilgrim remains committed to a transparent and efficient exceptions process for patients with unique clinical needs. However, H 7539 goes too far by effectively dismantling a standard industry practice that protects both clinical integrity and economic sustainability.

We respectfully urge the Committee to hold this bill for further study to allow for a deeper analysis of the financial impact on Rhode Island's small and large employers.

Thank you for your consideration of our testimony.

Sincerely,



Adam Marttgnetti
Vice President, State Government Affairs