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The Honorable Susan R. Donovan, Chair  
House Health & Human Services Committee  
Rhode Island House of Representatives

**Re: Support for H8382 – Strengthening Pharmacy Audit Protections**

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Chair Donovan and Members of the Committee:

I write in strong support of H8382 on behalf of the Northeast Pharmacy Service Corporation and the Rhode Island Independent Pharmacy Coalition, which represents independent pharmacies serving patients and communities across the state.

Last year, this legislature took an important and thoughtful step forward. Under the leadership of Representative Rebecca Kislak and Senator Linda Ujifusa, Rhode Island enacted reforms to bring fairness and structure to the pharmacy audit process. That law was designed to ensure that audits would no longer be used as a blunt instrument against independent pharmacies, but instead conducted within clear, reasonable guardrails.

What has happened since then is telling.

Despite the intent of that legislation, PBMs quickly identified and operated within gaps that allowed audit practices to continue in ways that impose significant administrative burden and operational disruption. The framework was put in place, but the way it has been applied in practice has not aligned with the law's purpose.

Importantly, this is not an issue that has gone unaddressed by the state. The Rhode Island Attorney General has played an active role in attempting to enforce the protections enacted last year, recognizing that audit practices were continuing in a manner inconsistent with legislative intent. That involvement underscores both the seriousness of the issue and the state's commitment to protecting pharmacies and patients.

At the same time, it has also made clear that enforcement alone is not enough when the statutory framework leaves room for interpretation and avoidance. The Attorney General

should not be placed in the position of trying to enforce around gaps in the law. The law itself must be clear, direct, and workable.

That is why H8382 is necessary.

This bill closes the practical gaps that have allowed abusive audit practices to persist and gives the Attorney General a clearer, more effective framework to enforce. It aligns the statute with the real-world conduct it is meant to regulate, ensuring that enforcement is not only possible, but meaningful.

From the perspective of the pharmacies we represent, this is about restoring balance.

Independent pharmacies operate on narrow margins while serving as front-line providers in their communities. When audits are conducted in a way that is unpredictable, overly aggressive, or disconnected from clinical and operational reality, the consequences are immediate. Staff time is diverted, cash flow becomes uncertain, and the ability to serve patients is compromised.

Audits should exist to ensure integrity in the system. They should not function as a revenue-generation tool or a competitive lever.

H8382 reinforces that distinction. It does not eliminate audits. It ensures that audits are conducted within a framework that reflects fairness, transparency, and enforceability.

There is also a broader point here.

Effective policy requires not just passing legislation, but refining it when real-world application reveals its limits. Rhode Island acted last year to address a clear problem. The Attorney General stepped in to help enforce that effort. H8382 represents the next step, ensuring the law is structured in a way that allows that enforcement to succeed.

The independent pharmacies we represent are deeply rooted in their communities. They are often the most accessible healthcare providers for patients, particularly in areas where access is already fragile. Protecting them from abusive audit practices is not about protecting a business model. It is about preserving access to care.

For these reasons, we respectfully urge the Committee to support H8382.

Thank you for your continued leadership on issues affecting patients, providers, and the integrity of the healthcare system.

Respectfully submitted,

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