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

Re: Support for H8383 – Strengthening Fairness in Pharmacy Reimbursement and PBM Practices

Chair Donovan and Members of the Committee:

I write in strong support of H8383 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.

H8383 addresses a dynamic that independent pharmacies experience every day but is often difficult to see from the outside. The terms of engagement between pharmacies and pharmacy benefit managers are not balanced. Reimbursement methodologies, fee structures, and network conditions are frequently set in ways that shift financial risk onto pharmacies without transparency or predictability.

Over time, that imbalance has real consequences.

Independent pharmacies operate on narrow margins and serve as one of the most accessible points of care in the healthcare system. When reimbursement is reduced through mechanisms that are not clearly disclosed or are applied inconsistently, pharmacies are left to absorb those losses. That does not remain a business issue for long. It becomes a patient access issue.

H8383 is designed to bring clarity and stability to that environment.

The bill establishes guardrails around how reimbursement and related practices are applied, ensuring that pharmacies are paid in a manner that reflects the actual cost and terms under which they agreed to participate in a network. It also addresses practices that can effectively penalize pharmacies after the fact through fees or adjustments that were not transparent at the point of contracting.

From the perspective of the pharmacies we represent, this is not about increasing reimbursement. It is about making reimbursement understandable and predictable.

A functioning market depends on the ability of participants to understand the rules they are operating under. When those rules can change after the fact, or are structured in ways

that are difficult to interpret, it becomes nearly impossible for independent pharmacies to plan, invest, or even assess whether they can continue serving certain patient populations.

There is also a broader structural issue at play.

PBMs today are not just administrators. Many are vertically integrated with insurers and affiliated pharmacies. That structure creates incentives that can influence how reimbursement and network participation are applied. H8383 helps ensure that those dynamics do not disadvantage independent pharmacies or limit patient choice.

This bill fits within a larger pattern of policy development in Rhode Island. The legislature has taken thoughtful steps to address PBM practices, and each step has been informed by how those policies function in practice. H8383 continues that work by addressing the areas where unpredictability and imbalance remain.

The independent pharmacies we represent are deeply embedded in their communities. They are the pharmacies that know their patients, manage complex medication regimens, and remain accessible when other parts of the system are not. Their ability to continue operating depends on a reimbursement framework that is fair, transparent, and sustainable.

H8383 moves the market in that direction.

For these reasons, we respectfully urge the Committee to support H8383.

Thank you for your continued leadership on issues affecting patient access and the stability of community-based care.

Respectfully submitted,

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Government Affairs Director
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