



OFFICE OF THE  
HEALTH INSURANCE COMMISSIONER  
STATE OF RHODE ISLAND

May 28, 2026

The Honorable Susan R. Donovan  
Chairperson, House Committee on Health and Human Services  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

RE: Letter of concern regarding H8579 and H8582 – AN ACT RELATING TO INSURANCE – PHARMACY FREEDOM OF CHOICE – FAIR COMPETITION AND PRACTICES

Dear Chairperson Donovan:

I write on behalf of the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) regarding [House Bill 8579](#) and [House Bill 8582](#). These bills seek to regulate pharmacy benefit managers (PBMs). OHIC is not opposed to the policy aspects of this legislation. However, I am writing to share concerns with respect to operationalizing and implementing the complex regulatory process necessary to carry out the requirements of the legislation by January 2027. Furthermore, I must convey to you that OHIC will need new staff with specialized knowledge and/or experience to undertake this work. I do not say this lightly.

OHIC observes that the provisions of H8582, and their enforceability, are dependent on the passage of H8579. This is because H8582 references Chapter 84 of Title 27, on page, 3 line 8, and there is currently no Chapter 84 of Title 27; however, H8579 would create Chapter 84 of Title 27.

To enable implementation and enforcement of the requirements of these bills, OHIC respectfully shares the following concerns.

1. **Staffing and Operations:** OHIC will require at least two new full time equivalent (FTE) positions to operationalize, implement, and enforce these bills. This will necessitate raising OHIC's FTE cap. Please note that there is already a pending request for two new OHIC FTEs as part of the Governor's Budget Amendment (GBA) 6 (relating to the Rural Health Transformation Program which is federally funded). These PBM regulation and enforcement FTEs would be in addition to the two FTEs that are pending under GBA 6. As you are aware, OHIC is presently staffed with only 10 FTEs to fulfill its current broad statutory responsibilities. Therefore, taken together, enactment of H8579, H8582, and GBA 6, will require that OHIC's FTE cap be raised by least 4 FTEs, to a total of 14 FTE.

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2. **Bridge Funding to Stand Up PBM Regulation and Certification Processes:** Proposed § 27-84-12 within H8579 on Assessments states: *“Holders of a certificate of authority issued pursuant to this chapter shall be assessed by the commissioner for the operating expenses of the office of the health insurance commissioner including, but not limited to, any reasonable expenses of any experts, consultants, and contractors, that are attributable to regulating such pharmacy benefit managers in such proportions as the commissioner shall deem just and reasonable.”* Until such time as OHIC has stood up a process for issuing certificates of authority to PBMs, the bills do not provide OHIC a funding mechanism. Significant staffing, consulting, and operational system costs will need to be incurred prior to being able to issue any certificates of authority pursuant to this proposed legislation.
  
3. **Timing and Effective Date:** Standing up the processes for issuing certificates of authority to PBMs will require onboarding staffing, consultants, drafting regulations, creating filing instructions and templates, issuing guidance, assessing data and system needs, and communicating with stakeholders, among other steps. Proposed § 27-84-3(a) within H8579 on certificates of authority states: *“No person, firm, association, corporation or other entity may act, offer to act as, or hold itself out to be a pharmacy benefit manager, without having a valid certificate of authority as a pharmacy benefit manager issued by the health insurance commissioner.”* It will be impossible to establish and implement a process for issuing certificates of authority to PBMs by January 1, 2027, the effective date of the legislation.

I would be happy to work with the sponsors of these bills to address OHIC’s above concerns.

Thank you for your continued leadership and hard work on all matters related to the health of Rhode Islanders.

Sincerely,



Cory B. King  
Health Insurance Commissioner

CC: Honorable Members of the House Committee on Health and Human Services  
Honorable Tina L. Spears  
Honorable Justine A. Caldwell  
Danica Dayian Iacoi, Esq., Chief of Staff and Special Legal Counsel to the Speaker of the House  
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker of the House

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