

March 26, 2026

The Honorable Melissa A. Murray, Chair, Senate Committee on Health and Human Services

Via email; SLegislation@rilegislature.gov

RE: SB 2253, Relating to Insurance – Prescription Drug Benefits

Dear Chair Murray and Members of the Committee:

On behalf of Blue Cross & Blue Shield of Rhode Island (Blue Cross), though we share the sponsor's and proponent's critical objective of reducing the financial burden associated with expensive medications, we must raise some serious concerns about this legislation that would require insurers to accept payments by third parties to cover deductibles.

The key issue with the approach contained in this bill is where the third-party financial assistance is coming from. The money to cover the patient's copayment or deductible is not coming from a philanthropy or generous benefactor. The money for these programs is provided by the pharmaceutical manufacturers themselves. Brand name drug makers have a vested interest in incentivizing patients to use their higher-priced, nationally advertised, products instead of less expensive and equally effective bioequivalent alternatives. Drug makers will happily pay a patient's \$150 copayment in order to facilitate the purchase of their \$2,500 brand named drug, instead of a \$250 therapeutically equivalent generic option.

In the New England Journal of Medicine article titled; **Patient Assistance Programs -- Helping Patients or Profits?** the author, Dr. David Howard, Ph.D., states, "The Office of Inspector General of the Department of Health and Human Services (DHHS), has warned that patient-assistance programs may violate federal anti-kickback statutes by providing remuneration that illegally induces consumption of services."¹

It must be noted that there is a significant financial relationship between certain patient advocacy groups and pharmaceutical manufacturers. Patients for Affordable Drugs recently published an update to its 2021 report; **The Hidden Hand: Big Pharma's Influence on Patient Advocacy Groups**. In that update, the organization documented hundreds of millions of dollars drug makers give both directly to patient advocacy organizations, and also to the so-called patient assistance programs.² This is a drug company investment that clearly pays dividends for themselves.

Blue Cross shares the goal of the sponsors and advocates of addressing financial barriers to care. But, as currently drafted, this legislation is likely to incentivize the use of higher-priced, brand-name drugs, driving up the cost of health care and insurance premiums for everyone. Ultimately, the best assistance drug makers could provide is to simply charge patients in this country the lower prices they offer residents of other countries for the same medications, in some cases just one-sixth of the price charged in the U.S.

Sincerely,



Shawn R. Donahue, Managing Director
Government Relations

¹ [Drug Companies' Patient-Assistance Programs — Helping Patients or Profits? | New England Journal of Medicine](#); July, 2014

² [New Research on Pharma's Hidden Hand Hiding in Plain Sight; An Update to The Hidden Hand: Big Pharma's Influence on Patient Advocacy Groups](#). Patients for Affordable Drugs. August 2023.