



Testimony of Matthew Netto, AARP Rhode Island
In support of Senate Bill 2462
Senate Committee on Health and Human Services
March 26, 2026

Chairwoman Murray and members of the Senate Health and Human Services Committee:

AARP is a nonpartisan, social mission organization with 38 million members nationwide and nearly 126,000 members here in Rhode Island. We advocate on behalf of issues that impact older adults, and we appreciate the opportunity to offer our support for requiring the secretary of the Executive Office of Health and Human Services (EOHHS) to monitor and mandate changes to the price-setting practices of Pharmacy Benefit Managers to prohibit the spread pricing payment model as Senate Bill 2462 from Senator Ujifusa intends to do.

Senate Bill 2462 addresses a critical issue affecting thousands of Rhode Islanders, particularly older adults who depend on consistent, affordable access to prescription medications. Senate Bill 2462 requires the Secretary of the Executive Office of Health and Human Services (EOHHS) to monitor and mandate changes to the price-setting practices of Pharmacy Benefit Managers (PBMs), specifically to prohibit the use of spread pricing. Spread pricing is a payment model that allows PBMs to charge health plans more for a prescription than they reimburse the pharmacy, keeping the difference as profit. This hidden “spread” drives up healthcare costs without improving outcomes for patients.

For older adults, many of whom live on fixed incomes and manage multiple chronic conditions, the impacts of spread pricing are especially harmful. When PBMs inflate prescription costs through this model, older adults ultimately face higher premiums, increased out-of-pocket expenses, and reduced access to community pharmacies that struggle under inconsistent reimbursement rates. These pressures can lead to skipped doses, delayed treatments, and worsened health outcomes.

Senate Bill 2462 takes a meaningful step toward protecting older Rhode Islanders by:

- Increasing transparency in prescription drug pricing, ensuring PBMs cannot hide behind complex financial arrangements that burden patients.
- Stabilizing pharmacy reimbursement, helping local pharmacies—often a lifeline for older adults—stay open and provide the personal support seniors rely on.
- Reducing costs for health plans and Medicaid, savings that ultimately benefit older adults enrolled in these programs.

- Prioritizing patient well-being over PBM profit margins, ensuring medication pricing practices are fair, ethical, and accountable.

By empowering EOHHS to oversee and correct PBM price-setting practices, this legislation strengthens Rhode Island's entire healthcare system. Most importantly, it protects older adults, who are disproportionately affected by rising prescription drug costs and who deserve transparency and fairness in how their medications are priced.

Please take this important step to ensure that Rhode Island's prescription drug system works for all patients by recommending passage on Senate Bill 2462. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Matt R Netto".

Matthew Netto
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