



March 26, 2025

[submitted electronically via: Slegislation@rilegislature.gov]

The Honorable Melissa A. Murray
Chair, Rhode Island Senate Health and Human Services Committee
82 Smith Street
Providence, RI 02903

RE: S3059 (Britto), S3060 (Apollonio), S2462 (Ujifusa), S2466 (Ujifusa) – SUPPORT

Dear Chair Murray, Vice Chair Lauria, Secretary Urso, and members of the Senate Health and Human Services Committee:

The Rhode Island Pharmacists Association (RIPA) and the American Pharmacists Association (APhA) appreciate the opportunity to support Senate Bill (S) [3059](#) (Sen. Britto), [S3060](#) (Sen. Apollonio), [S2462](#) (Sen. Ujifusa), [S2466](#) (Sen. Ujifusa). Together, these bills take essential steps to enhance fairness, transparency, and oversight in the pharmacy benefit manager (PBM) industry, ultimately protecting Rhode Island patients' access to their medications and strengthening local pharmacies.

As a result of the predatory practices of pharmacy benefit managers (PBMs), patients' access to medications from their local pharmacist across the country has declined¹, taxpayer dollars have been funneled into corporate profits², and generationally owned community pharmacies have been driven out of business.³ A study found that PBM tactics forced one state Medicaid program to overpay \$1.9M on a single drug, where PBMs marked up the drug by 800 percent.⁴ Rhode Island recently concluded enforcement actions against a large PBM for allegedly violating the state's Pharmacy Audit Act, especially around surprise and overly aggressive pharmacy audits.⁵ Appropriate government oversight is necessary to address the misaligned incentives in the PBM industry, which prioritizes profits over patients. By ensuring fair reimbursement to pharmacies, addressing predatory pricing models, and increasing regulatory oversight, these bills work to realign incentives in the system so that patient care remains the priority.

S3059 establishes important guardrails to promote transparency and accountability in PBM operations. The bill strengthens reporting requirements, requires fair processes for pharmacies to appeal reimbursement decisions, and reinforces the expectation that PBMs operate with care, diligence, and professionalism in their interactions with patients, pharmacies, and insurers. These provisions help ensure that

¹ Rose J, Krishnamoorth R. Why your neighborhood community pharmacy may close. *The Hill*. Available at <https://thehill.com/blogs/congress-blog/healthcare/530477-why-your-neighborhood-community-pharmacy-may-close>

²3 Axis Advisors. Analysis of PBM Spread Pricing in New York Medicaid Managed Care. Available at <http://www.ncpa.co/pdf/state-advoc/new-york-report.pdf>

³ Callahan C. Mom-and-pop pharmacies struggle to hang on. *Times Union*. Available at <https://www.timesunion.com/hudsonvalley/news/article/Mom-and-pop-pharmacies-struggle-to-hang-on-16187714.php>

⁴ <https://oregonpharmacy.org/2022/10/27/oregon-report/>

⁵ <https://riag.ri.gov/press-releases/attorney-general-neronha-protects-local-pharmacies-alleged-illegal-practices-pbms>

reimbursement decisions are based on accurate and transparent information and that pharmacies have a meaningful opportunity to resolve payment disputes in a timely manner.

S3060 builds on this framework by establishing a clear licensure and regulatory structure for PBMs operating in Rhode Island. By requiring PBMs to obtain a license and comply with defined standards for financial reporting and operational oversight, the bill ensures that PBMs are subject to consistent regulatory expectations. Establishing a formal oversight structure helps promote responsible business practices, strengthens consumer protections, and enhances the state's ability to monitor the performance of entities that play a critical role in the health care system.

S2462 addresses the practice of spread pricing in the Medicaid program. Spread pricing occurs when a PBM charges a health plan more for a prescription drug than it reimburses the pharmacy and retains the difference. This payment model can obscure the true cost of medications and make it more difficult for policymakers to understand how public funds are being used. The bill requires PBMs that work with Medicaid managed care organizations to cease spread-pricing practices and operate under more transparent reimbursement structures. These reforms help ensure that taxpayer-funded programs are administered efficiently and that payment models are aligned with patient care and program integrity goals.

S2466 complements these reforms by establishing protections to ensure fair reimbursement and prevent discriminatory practices against non-affiliated pharmacies. The bill requires PBMs to reimburse non-affiliated pharmacies at rates that are no less than those paid to affiliated pharmacies for the same drug or service and prohibits contractual arrangements designed to favor affiliated entities. Ensuring fair reimbursement across pharmacy networks supports competition, preserves patient choice, and keeps small-business community pharmacies open, helping maintain access to pharmacy services in both urban and rural communities.

Together, these bills create a balanced framework that promotes transparency and accountability while preserving flexibility for health plans and PBMs to administer prescription drug benefits effectively. Importantly, the legislation establishes clear expectations that PBMs operate in a manner that is transparent, fair, and consistent with the public interest.

Rhode Island, like many states, continues to face challenges related to prescription drug affordability and access to care. Pharmacists practice in nearly every community across the state and are often the most accessible health care professionals for patients seeking medication-related services. Ensuring that reimbursement and contracting practices are transparent and equitable helps preserve this critical access point for Rhode Islanders and supports the long-term stability of the pharmacy infrastructure.

For these reasons, RIPA and APhA support S3059, S3060, S2462, S2466, and respectfully request your "AYE" votes. If you have any questions or require additional information, please don't hesitate to contact Chris Federico, PharmD, BCACP, RIPA Director of Government and Legislative Affairs, info@ripharmacists.org, and E. Michael Murphy, PharmD, MBA, APhA Senior Advisor for State Government Affairs by email at mmurphy@aphanet.org.

Sincerely,

Chris Federico, PharmD, BCACP
Director, Government and Legislative Affairs

Michael Baxter
Vice President, Government Affairs

Rhode Island Pharmacists Association

American Pharmacists Association

cc: Senator Pamela J. Lauria, Vice Chair
Senator Lori Urso, Secretary
Senator Peter A. Appollonio, Jr.
Senator Gordon E. Rogers
Senator Brian J. Thompson
Senator Linda L. Ujifusa
Senator Bridget Valverde

About RIPA: Established in 1874, RIPA has a rich history and is one of the oldest state pharmacist associations in the country. RIPA unites all pharmacists of the state for professional development and advancement, elevates practice standards, advocates for pharmacy, disseminates relevant scientific and professional information, and encourages collaboration between all allied health professions toward the improvement of public health.

About APhA: APhA is the largest association of pharmacists in the United States, advancing the entire pharmacy profession. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care, and enhance public health. **In Rhode Island, with 1,170 licensed pharmacists and 1,590 pharmacy technicians, APhA represents the pharmacists and student pharmacists who practice in numerous settings and provide care to many of your constituents.** As the voice of pharmacy, APhA leads the profession and equips members for their role as the medication expert in team-based, patient-centered care. APhA inspires, innovates, and creates opportunities for members and pharmacists worldwide to optimize medication use and health for all.