



206 Cranston St. Providence

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

**RE: Strong Support for H5498 – RELATING TO STATE AFFAIRS AND GOVERNMENT --
OFFICE OF HEALTH AND HUMAN SERVICES**

Dear Chairwoman Donovan,

Thank you for the opportunity to write with strong support of H5498 -An Act Relating To State Affairs and Government -Office of Health and Human Services

I am writing to express my strong support for the proposed bill that would require 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 spread pricing payment model. The practice of spread pricing, where PBMs charge insurers and health plans more for prescription drugs than they reimburse pharmacies, has been reported by the FTC and various investigative journalism sources to contribute to cost inefficiencies and higher prescription drug prices for consumers.

By mandating that EOHHS oversee and reform these price-setting practices, we can ensure transparency, fairness, and accountability in the pharmaceutical supply chain. This reform will ultimately lead to reduced drug costs and improved access to essential medications for all Rhode Island residents.

Moreover, **other states and PBMs have already taken steps to eliminate spread pricing**, proving that this model is neither necessary nor beneficial for our healthcare system. For example, Optum Rx has adopted more transparent pricing models that promote competition and drive down costs for Medicaid plans.

It is crucial for Rhode Island to follow suit and protect our residents from the financial burden of inflated drug prices. By enacting this bill, we will foster a more equitable healthcare environment, where every individual has access to affordable prescription medications.

I urge you to support this legislation and help create a more transparent and cost-effective healthcare system for our state.

Thank you for the opportunity to comment on this important legislation, we are grateful for your continued support.

Sincerely,

Eugenio Fernandez
Eugenio Fernandez, Jr.
PharmD, MBA, MPH

CC: Members of the House Committee on Health and Human Services

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