

April 10, 2025

The Honorable Susan Donovan, Chair, House Committee on Health and Human Services

Via email to: [HouseHealthandHumanServices@rilegislature.gov](mailto:HouseHealthandHumanServices@rilegislature.gov)

**RE: House Bill 5634, relating to businesses and professions (340B drug pricing)**

Dear Chairwoman Donovan and Members of the Committee:

On behalf of Blue Cross & Blue Shield of Rhode Island (Blue Cross), I am writing to express concerns with this bill as drafted. Blue Cross shares the concern of the sponsor, the Committee, and many in the community regarding the impact of prescription drugs prices on health insurance premiums, and is also aware of the interest in maintaining important provider programs.

In 2024, the cost for a family to obtain health insurance averaged over \$25,000 a year nationally.<sup>1</sup> Prescription drug costs represent a growing driver of those high premiums. For Blue Cross, a record one out of every four dollars of premium was spent on drugs in 2024. That year, commercial and Medicare members filled more than 7 million prescriptions, costing more than \$725 million.

According to the Office of the Health Insurance Commissioner, *"spending on brand-name drugs has grown at an unaffordable rate in Rhode Island."* The Commissioner, in another report, found, *"certain brand drugs have had VERY HIGH prices and have also had high rates of annual price growth."*<sup>2</sup>

**Working collaboratively with hospitals has resulted in notable success in the efforts to control the growth of spending on medication.** Last session, compromise was reached on legislation relating to "white bagging" which is intended to ensure patient access to medication and empower hospitals to buy and bill for those drugs, while not adding incremental expense to healthcare costs.

**This bill, in part, could jeopardize those successes, specifically proposed section 5-19.3-3.** Blue Cross and the hospitals have established, and are expanding, agreements to cover medications obtained and dispensed through hospital-based pharmacies. These collaborative arrangements involve complicated compliance rules and financial arrangements. This part of the proposal would jeopardize these arrangements, notably by restricting a health plan's ability to: distinguish drugs that are or are not "340B" drugs, design pharmacy networks, and obtain necessary information in claims submissions.

Blue Cross recognizes the concern of the sponsor and advocates. **We welcome conversations on how the state might address these issues while ensuring a program that provides valuable support to qualifying hospital pharmacies and patients.**

Sincerely,



Richard Glucksman,  
Assistant General Counsel

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<sup>1</sup> [Section 1: Cost of Health Insurance - 10480 | KFF](#)

<sup>2</sup> OHIC reports: ["The High Costs of Brand-Name Drugs"](#) and ["High and Increasing Prices Drive Prescription Drug Spending"](#)