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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --
DECEPTIVE TRADE PRACTICES

Introduced By: Representatives Ackerman, Donovan, McNamara, Fellela, Edwards,
Slater, Potter, Newberry, and Corvese

Date Introduced: March 27, 2026

Referred To: House Corporations

(Attorney General)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 6-13.1 of the General Laws entitled "Deceptive Trade Practices" is
2 hereby amended by adding thereto the following section:

3 **6-13.1-31. Prohibited acts - Pharmacy benefits managers.**

4 (a) For the purposes of this section:

5 (1) "Effective rate pricing" means any payment reduction for pharmacist or pharmacy
6 services by a pharmacy benefits manager through reconciliation processes or aggregate payment
7 reductions that are not expressly disclosed and agreed to between the pharmacy benefits manager
8 and pharmacist or pharmacy and that result in reimbursement below the contracted rate.

9 (2) "Enrollee" means an individual residing in this state for whom an insurer administers,
10 provides, pays for, insures, or covers healthcare services; provided, however, that for purposes of
11 this section, the term shall exclude individuals enrolled in Medicare Part D, the federal employee
12 health benefit program, TRICARE, or the VA program.

13 (3) "Inducement" means a financial incentive including, but not limited to, variations in
14 premiums, deductibles, copayments, or coinsurance, offered to influence the selection,
15 recommendation, or use of health care items or services.

16 (4) "Maximum allowable cost price" or "MAC price" means the maximum amount that a
17 pharmacy benefits manager will reimburse toward the cost of a drug.

18 (5) "Patient steering" means any communication, verbal or written, by a pharmacy benefits

1 manager to a patient to directly or indirectly influence the patient's choice of pharmacy or
2 encourage use of an alternate pharmacy that is a preferred pharmacy. This includes any requirement
3 that a consumer utilize a particular pharmacy.

4 (6) "Pharmacy benefits manager" or "PBM" means an entity doing business in this state
5 that contracts to administer or manage prescription drug benefits on behalf of any carrier that
6 provides prescription drug benefits to residents of this state.

7 (7) "Spread pricing" means the model of prescription drug pricing in which a pharmacy
8 benefits manager charges a health benefit plan a contracted price for prescription drugs that differs
9 from the amount the pharmacy benefits manager directly or indirectly pays the pharmacist or
10 pharmacy for pharmacy goods or services.

11 (b) Violations. It shall be an unfair and deceptive trade practice and a method of unfair
12 competition in violation of this chapter for any pharmacy benefits manager to:

13 (1) Conduct or participate in spread pricing or effective rate pricing;

14 (2) Directly or indirectly engage in patient steering to a pharmacy in which the pharmacy
15 benefits manager, or any of its affiliated entities, maintains an ownership interest or control;

16 (3) Penalize an enrollee or offer an inducement to an enrollee for the purpose of
17 encouraging use of a specific retail, mail-order, or other pharmacy in which a pharmacy benefits
18 manager holds an ownership or controlling interest, or in which the pharmacy holds an ownership
19 or controlling interest in the pharmacy benefits manager;

20 (4) Require a pharmacist or pharmacy to purchase drugs from a particular wholesaler;

21 (5) Deflate or fail to adjust the MAC price set by the pharmacy benefits manager where the
22 wholesaler offering the price upon which the MAC price is based chooses not to sell the drug to
23 the pharmacist or pharmacy, rendering the MAC price unavailable to the pharmacist or pharmacy;

24 (6) Fail to honor maximum allowable cost requirements in accordance with §§ 27-18-33.2,
25 27-19-26.2, 27-20-23.2, 27-20.1-15.1, or 27-41-38.2;

26 (7) Impose an early-refill restriction on a maintenance medication with a prescription of at
27 least a thirty (30) day supply that requires fewer than seven (7) days of medication remaining before
28 the prescription may be refilled; provided, however, that pursuant to regulation, guidance or at the
29 direction of the executive office of health and human services, a pharmacy benefits manager may
30 apply a more restrictive early refill policy for Medicaid enrollees without violating the provisions
31 of this subsection. This provision shall not apply to controlled substances in schedules II to V;

32 (8) Fail to honor or otherwise delay the acceptance of previously completed step therapy
33 documentation where the prescribed drug is on the health plan's prescription drug formulary, the
34 enrollee has tried the step therapy required while enrolled in their current health plan or a health

1 plan in which they were previously enrolled, and the enrollee's provider has submitted justification
2 and supporting clinical documentation that such prescription drug was discontinued due to lack of
3 efficacy or effectiveness, diminished effect, or an adverse effect or event;

4 (9) Exploit prescription drug information obtained from enrollees for monetary gain or
5 economic power over pharmacists or pharmacies including, but not limited to, using data mining
6 or other similar methods to gather patient information generated or obtained throughout the
7 prescription filling process at any pharmacy for the purpose of directing business toward a
8 pharmacy commonly owned, controlled, or exclusively contracted with the PBM;

9 (10) Sell, exchange, or use in any manner prescription drug information regarding an
10 enrollee obtained from an enrollee's use of a prescription drug for purposes of marketing
11 solicitation, patient steering, generating referrals, or any other practice or act that provides the
12 pharmacy benefits manager, or any of its affiliates or subsidiaries, economic power or control over
13 pharmacists or pharmacies, or that interferes in the enrollee's free choice of pharmacy;

14 (11) Engage in drug repackaging for the purpose of extracting a price markup. A pharmacy
15 benefits manager that owns or controls a mail-order pharmacy shall not allow the mail-order
16 pharmacy to repackage drugs for the purpose of selling the repackaged items at prices higher than
17 the reimbursement price of the drug in its original manufacturer packaging, unless the enrollee to
18 whom the repackaged drugs are dispensed is informed in writing that the drug has been repackaged
19 and is being sold at a higher price; or

20 (12) Operate in Rhode Island without being registered and in good standing with the
21 secretary of state to do business in the state or without being licensed and in good standing with the
22 department of business regulation. Each day that a pharmacy benefits manager operates without
23 such registration or licensure and good standing shall constitute a separate violation.

24 (c) Construction.

25 (1) Except where expressly provided, for purposes of this section, a violation shall be
26 deemed to occur each time a prohibited act is committed for each individual consumer transaction.

27 (2) Nothing in this section shall be construed to prohibit truthful, non-misleading
28 communications regarding cost or interfere with, or violate, a consumer's right to know where the
29 consumer may obtain the lowest cost drugs, whether a consumer is utilizing insurance or other
30 third-party reimbursement or not.

31 (3) Nothing in this section shall be construed to interfere with the requirement that
32 consumers receive notice of changes to pharmacy networks, such as the inclusion of new
33 pharmacies or removal of existing pharmacies from networks.

34 (4) Nothing in this section shall prohibit the authorized use of protected health information

1 for health care operations under the Health Insurance Portability and Accountability Act of 1996
2 (Pub. L. No. 104-191).

3 (5) Nothing in this section shall be construed or applied in a manner that conflicts with
4 applicable federal law or regulation.

5 (6) Nothing in this section shall be construed to limit or preclude the authority of the
6 attorney general to pursue any other remedy, penalty, or cause of action available under common
7 law or statute including, but not limited to, actions for injunctive relief, restitution, civil penalties,
8 or other equitable or legal relief. Nor shall this section be construed to limit the application of
9 chapter 13.1 of title 6 ("deceptive trade practices") or any other provision of the general laws to the
10 conduct described herein. This amendment shall be interpreted to clarify existing law only.

11 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --
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- 1 This act would provide that certain actions taken by pharmacy benefits managers are to be
- 2 considered deceptive or unfair trade practices.
- 3 This act would take effect upon passage.

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