

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO HUMAN SERVICES -- THE RHODE ISLAND PRESCRIPTION DRUG
PURCHASING POOL ACT

Introduced By: Senators DiPalma, McKenney, Tikoian, Gallo, Ciccone, LaMountain,
and Felag

Date Introduced: May 05, 2026

Referred To: Senate Health & Human Services

(Attorney General)

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 23

4 THE RHODE ISLAND PRESCRIPTION DRUG PURCHASING POOL ACT

5 **40-23-1. Short title.**

6 This chapter shall be known and may be cited as the "Rhode Island Prescription Drug
7 Purchasing Pool Act."

8 **40-23-2. Definitions.**

9 As used in this chapter:

10 (1) "Department" means the department of administration.

11 (2) "Director" means the director of administration.

12 (3) "Health insurance carrier" means an entity subject to the insurance laws and regulations
13 of this state or subject to the jurisdiction of the office of the health insurance commissioner that
14 offers health insurance, health benefits, or contracts for healthcare services, including prescription
15 drug coverage, to large groups, small groups, or individuals on or outside the Rhode Island health
16 benefit exchange pursuant to § 42-157-1.

17 (4) "Nonstate public employer" means a municipality, fire district, or other political
18 subdivision of the state including, but not limited to, a school district, public institution of higher

1 education or quasi-public agency or authority within the state.

2 (5) "Participants" means participants in the Rhode Island prescription drug purchasing
3 pool.

4 (6) "Qualified private employer" means a self-insured private employer doing business in
5 this state.

6 **40-23-3. Establishment.**

7 (a) There is hereby established the Rhode Island prescription drug purchasing pool. The
8 director shall offer nonstate public employers, qualified private employers, and health insurance
9 carriers the option to purchase prescription drugs for their employees, employees' dependents and
10 retirees under the purchasing authority of the state, subject to the provisions of § 40-23-5(b).

11 (b) The director shall promulgate rules and regulations to establish procedures to
12 determine:

13 (1) Eligibility requirements for participation;

14 (2) Enrollment procedures;

15 (3) Duration of participation;

16 (4) Requirements regarding payment; and

17 (5) Procedures for withdrawal from and termination of participation by nonstate public
18 employers, qualified private employers, and health insurance carriers.

19 (c) The director is authorized to:

20 (1) Promulgate rules to implement the provisions of this section in accordance with chapter
21 35 of title 42 ("administrative procedures");

22 (2) Reassess and renegotiate contractual arrangements for pharmacy benefit management
23 and related services as necessary to maximize discounts and value delivered to participants while
24 minimizing administrative expenses; and

25 (3) Consider and enter into multistate prescription drug purchasing pool arrangements as
26 appropriate to maximize discounts and value delivered to participants.

27 **40-23-4. Stop-loss coverage.**

28 (a) The director may obtain stop-loss coverage issued pursuant to chapter 8.2 of title 27
29 ("stop-loss insurance"); provided that, such coverage otherwise complies with the provisions of
30 this chapter.

31 (b) The director may offer participants the option to purchase stop-loss coverage from an
32 insurer at a rate negotiated by the director.

33 **40-23-5. Joint and collective participation.**

34 (a) Two (2) or more nonstate public employers or qualified private employers may join

1 together for the purpose of purchasing prescription drugs for their employees, employees'
2 dependents and retirees. Such arrangement shall not constitute a multiple employer welfare
3 arrangement, as defined in the Employee Retirement Income Security Act of 1974 (29 U.S.C. §
4 1002), as amended from time to time.

5 (b) The director may offer nonstate public employers, qualified private employers, and
6 licensed insurance carriers the option to purchase prescription drugs through the plan set forth in
7 collective bargaining agreement executed between the State of Rhode Island and authorized
8 representatives of the unions representing state employees if the director determines that allowing
9 such nonstate public employers, qualified private employers, or licensed insurance carrier such
10 option is consistent with the collective bargaining agreement.

11 (1) Such determination shall not be required if the director establishes a separate
12 prescription drug purchasing plan or plans for nonstate public employers, qualified private
13 employers, and licensed insurance carriers.

14 **40-23-6. Construction.**

15 The Rhode Island prescription drug purchasing pool does not constitute a risk pool, and all
16 participants shall pay the full cost of their own claims and prescription drugs.

17 **40-23-7. Coordination with prescription drug discount program.**

18 (a) The director may coordinate the Rhode Island prescription drug purchasing pool with
19 the state's prescription drug discount program set forth in § 42-66.2.1-2 including, but not limited
20 to, purchasing prescription drugs for the prescription drug discount program through the Rhode
21 Island prescription drug purchasing pool, and offering discounts, rebates, and prices secured
22 through the Rhode Island prescription drug purchasing pool to participants in the state's prescription
23 drug discount program.

24 (b) In pursuing such coordination, the department of human services shall collaborate with
25 the director of the department of administration to ensure the state's prescription drug discount
26 program is being used in a manner that maximizes enrollment and minimizes prices paid by
27 enrollees for prescription drugs.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HUMAN SERVICES -- THE RHODE ISLAND PRESCRIPTION DRUG
PURCHASING POOL ACT

1 This act would establish a state-run prescription drug purchasing pool, available for
2 participation by nonstate public employers, private employers, and health insurance carriers, to
3 maximize the value of drug discounts available to participants.

4 This act would take effect upon passage.

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