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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO INSURANCE -- PHARMACY FREEDOM OF CHOICE -- FAIR
COMPETITION AND PRACTICES

Introduced By: Senators Urso, Murray, Lawson, Tikoian, DiPalma, LaMountain, Ujifusa,
and Ruggerio

Date Introduced: February 05, 2025

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-29.1-7 of the General Laws in Chapter 27-29.1 entitled "Pharmacy
2 Freedom of Choice — Fair Competition and Practices" is hereby amended to read as follows:

3 **27-29.1-7. Regulation of pharmacy benefits managers.**

4 (a) Pharmacy benefits managers shall be included within the definition of third-party
5 administrator under chapter 20.7 of this title and shall be regulated as such. The annual report filed
6 by third-party administrators with the department of business regulation shall include: contractual
7 language that provides a complete description of the financial arrangements between the third-party
8 administrator and each of the insurers covering benefit contracts delivered in Rhode Island; and if
9 the third-party administrator is owned by or affiliated with another entity or entities, it shall include
10 an organization chart and brief description that shows the relationships among all affiliates within
11 a holding company or otherwise affiliated. The reporting shall be in a format required by the
12 director and filed with the department as a public record as defined and regulated under chapter 2
13 of title 38.

14 (b) A pharmacy benefit manager shall not conduct or participate in spread pricing in this
15 state, which means that a pharmacy benefit manager shall ensure that the total amount required to
16 be paid by a health benefit plan and a covered person for a prescription drug covered under the plan
17 does not exceed the amount paid to the pharmacy for dispensing the drug.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would require that pharmacy benefit managers ensure that the total amount
2 required to be paid by a health benefit plan and a covered person for a prescription drug covered
3 under the plan does not exceed the amount paid to the pharmacy for dispensing the drug.

4 This act would take effect upon passage.

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