



Fighting Together to Protect Rhode Island's Independent Pharmacies

FOR IMMEDIATE RELEASE
May 5, 2026

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Rhode Island's Independent Pharmacy Owners Join Forces in New Push for Pharmacy Benefit Manager (PBM) Reform Following Attorney General Neronha's Lawsuit Against CVS Health's Caremark

Pharmacists Hope Lawsuit and Support from Loyal Customers and Slew of Elected Leaders Brings Victory

Rhode Island's independent pharmacy owners joined forces today to launch a grass roots campaign to help secure long-sought pharmacy benefit manager (PBM) reform in the Rhode Island General Assembly. The campaign, kicked off at Suburban Pharmacy in Warwick, seeks to leverage a lawsuit filed last May by Attorney General Peter Neronha against CVS Caremark, Express Scripts and Optum Rx, the nation's three largest PBMs.

The AG's lawsuit alleges that these companies engaged in "coercive, exploitative, collusive, abusive, deceptive, predatory, restrictive, and exclusionary" conduct by taking advantage of their significant power in the PBM market to force independent pharmacies to accept unfair contractual terms". The lawsuit also alleges that the PBM Defendants' conduct "denies consumers free and fair access to the pharmacy of their choice."

The lawsuit takes aim at PBM practices that prevented Rhode Islanders from accessing less expensive, and in some cases, more effective prescription medicine, accusing the PBMs of "unfair and deceptive restriction of access" to many drugs used to treat chronic conditions—including insulin, antidepressants, antipsychotics, and antiarrhythmics—to boost profits.

"Today, I am excited to join forces with my loyal customers, fellow independent pharmacy owners and elected leaders in launching a campaign to protect independent pharmacies and our customers from the predatory practices of PBMs," said Nick Shanos, the owner of Suburban Pharmacy. "The AG's lawsuit lays bare what CVS Caremark and other giant PBMs have been doing for years; squeezing independent pharmacies to the point where many can no longer survive. The lawsuit also exposes the PBM's profit-driven practices that make it harder for our patients to get the medicine their doctors prescribe. As the AG's lawsuit moves through federal court, we're asking the Rhode Island General Assembly to provide more immediate relief by passing PBM reform."

Today's event showcased support for independent pharmacies from elected leaders and those seeking to replace the term-limited Attorney General, including Warwick City Councilman Jeremy

Rix, and AG candidates State Representative Joe Solomon and Keith Hoffmann, Neronha's former Chief of Policy and Senior Counsel.

"In the General Assembly, I have taken direct action to support Rhode Island's independent pharmacies, working to increase transparency in pharmacy benefit managers and address the rising cost of prescription drugs," said State Representative and AG candidate Joseph Solomon (D-Warwick). "Independent pharmacies are small businesses and healthcare lifelines in our communities, and the current system too often puts them at a disadvantage. I remain committed to advocating for meaningful PBM reforms that protect small businesses, preserve patient access to care, and ensure Rhode Island's healthcare system works for patients and providers. As Attorney General, I will build on the work already underway and continue to hold PBMs accountable, protect patient choice, and keep local pharmacies strong."

"While serving as a senior leader on the executive team in Attorney General Peter Neronha's Office, we filed a significant lawsuit against Optum Rx, CVS Caremark, and Express Scripts," said Keith Hoffmann, former Chief of Policy and Senior Counsel, Office of Rhode Island Attorney General. "These giant PBMs have exploited their market dominance to undercut independent pharmacies here in Rhode Island and across the country. They also deceived Rhode Islanders, suggesting that they secured prescription drug savings for us when in fact they caused drug prices to skyrocket. I'm proud to have been a part of the team that stood up to these companies and I'm grateful that Attorney General Neronha has endorsed me to succeed him. As Attorney General, I'll continue the fight to ensure access to health care for all Rhode Islanders – and demand accountability from PBMs that have violated the law."

The number of independent pharmacies in Rhode Island, and across the country, has dropped significantly over the past two decades, largely due to the PBM practices targeted in the AG's lawsuit. In 2004, there were more than two dozen independent pharmacies in Rhode Island, and today, 11 owners operate 12 independent pharmacies. In the 1970's, there were more than 120 independent pharmacies operating in Rhode Island.

Independent Pharmacy Owners Enlisting Loyal Customers to Get PBM Reform Across the Finish Line

Rhode Island's independent pharmacy owners are recruiting an army of loyal customers to weigh in with the General Assembly, not only on the need to protect independent pharmacies, but also to address the challenges customers have faced at the hands of health insurance companies and PBMs. Some of these challenges are detailed in the AG's lawsuit and include difficulty accessing medicines preferred by doctors and step therapy protocols that require patients to fail on other medications before receiving approval to use the medicine preferred by their prescriber.

The independent pharmacy owners have launched a website that details harmful PBM practices and showcases support the independents have received from elected leaders, office seekers, former independent pharmacy owners and loyal independent pharmacy customers.

(www.savemylocalpharmacy.org). The website also makes it easy for customers of independent pharmacies and non-customers to sign up for advocacy activities.

A long-time Suburban Pharmacy customer applauded the AG and the independent pharmacy owners for taking on the PBMs. “When biologics were first developed to treat Crohn’s & Colitis, it was a true life saver for me,” said Lindsey White of Warwick. “After being on Humira for many years, I developed a resistance to it and my doctor wanted to switch me to Stelara. CVS Caremark, the PBM for our health insurance provider, fought us tooth and nail. It took four appeals before they finally approved it, which was an extremely frustrating experience.”

Last year, the Rhode Island General Assembly passed legislation signed by Governor McKee that launched a three-year pilot project during which health insurance companies operating in Rhode Island are prevented from requiring prior authorization for medical care recommended by primary care physicians within the insurance company’s network of providers. The pilot project did not exempt prescription medication from prior authorization requirements.

Growing Scrutiny of PBM Practices

PBMs have faced increasing scrutiny from Congress and the Federal Trade Commission for anti-competitive practices, including behavior detailed in the Attorney General’s lawsuit. In 2024, two scathing FTC reports accused CVS Caremark, Express Scripts and Optum Rx of engaging in anticompetitive, unfair, and deceptive practices that inflated insulin list prices and restricted access to affordable medication. The FTC followed its investigative reports with a lawsuit against the three companies alleging they prioritized high manufacturer rebates over patient costs, utilizing their market power to create perverse incentives.

In February of this year, the FTC reached a settlement agreement with Express Scripts over the lawsuit. As part of the settlement, Express Scripts has agreed to compensate independent pharmacies based upon their actual cost of acquiring prescription drugs plus a dispensing fee. Express Scripts will also cover the costs of a third party monitor to ensure compliance with the settlement agreement.

Independent Pharmacy Owners Press former CVS Health Executive Helena Foulkes on PBM Reform Views

In their push for PBM reform, the independent pharmacy owners have questioned whether former CVS Health executive and gubernatorial candidate Helena Foulkes will protect independent pharmacies from abusive PBM practices. Ellen Shanos, the wife of Suburban Pharmacy owner Nick Shanos, spoke directly with Foulkes at a November 2025 event, pressing her on the AG’s lawsuit and the adverse impact CVS Caremark has had on independent pharmacies. “Ms. Foulkes told me that she wasn’t familiar with the AG’s lawsuit but would read up on it,” said Shanos. “She also told me that she wants all Rhode Islanders to be treated fairly.”

A letter sent to Foulkes by 77 Suburban Pharmacy customers in early March asked whether Foulkes supports the FTC’s settlement with Express Scripts and the AG’s lawsuit against a major division of

her former employer, CVS Health. The letter also asked if Foulkes would publicly support legislation in the General Assembly to prevent below-cost reimbursement of independent pharmacies by PBMs. Foulkes has yet to respond to the letter.

Numerous PBM Reform Bills Introduced in the Current Session of the General Assembly

There are multiple PBM reform measures advancing through the General Assembly, including H 7189 and S 2466, identical bills that seek to protect independent pharmacies from below cost reimbursement by PBMs. H 8360, introduced at the request of the Attorney General, would prevent PBMs from reimbursing pharmacies below what they collect from an insurance company or employer for a prescription drug. This measure would also prevent health insurance companies from forcing a beneficiary to fail on alternative medications before being given access to the medication prescribed by the patient’s doctor if they had recently gone through this “step therapy” process with another insurer.

The Governor included an article in his proposed FY 2027 budget that calls for greater PBM transparency and three bills in the Senate Leadership’s health policy package would establish new oversight of PBMs.

In addition to Suburban Pharmacy, other independent pharmacies in Rhode Island participating in the PBM reform campaign include:

- Anthony’s Pharmacy, Johnston, RI
- Atwood Pharmacy, Johnston, RI
- Coventry Pharmacy, Coventry RI
- JB’s Pharmacy, Warwick, RI
- Matt’s Local Pharmacy, Middletown, RI
- McQuades Pharmacy, Westerly, RI
- Park Ave Pharmacy, Cranston, RI
- Park Square Pharmacy, North Smithfield, RI
- Seaside Pharmacy, Westerly, RI
- White Cross Pharmacy, Lincoln, RI

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