



Testimony to the
COMMITTEE ON HEALTH CARE, INSURANCE AND FINANCIAL SERVICES
Thursday, April 6, 2023

IN SUPPORT OF LD 1165
An Act to Enhance Cost Savings to Consumers of Prescription Drugs

Submitted by
Bill Murphy
Director, Advocacy & Public Policy
Epilepsy Foundation New England

Chairs Bailey and Perry and Members of the Committee:

On behalf of the more than 14,000 individuals in Maine living with epilepsy, we are pleased to join with countless others in Maine who have chronic illnesses and depend upon needed medications to ask that you please support passage of LD 1165.

According to the Kaiser Family Foundation in 2021, 29% of US adults reported not taking their medication as prescribed due to cost.

Yet, Pharmacy Benefit Managers (PBM) generate some \$315 billion annually from five [income streams](#) that include rebate sharing!

Doesn't it make sense that patients who pay a premium for insurance coverage should benefit from the discounted price that the insurers and PBMs have access to?

We applaud Representative Craven and her many cosponsors who think so, and thus, have submitted LD 1165 for your consideration.

Everyone is well aware of the rising costs of healthcare and access to medications. Yet, according to the researchers, demands for rebates from PBMs are at least partly responsible for rising list prices. Because the PBM market is highly concentrated, with three companies serving

approximately 75 percent of the market, it is obvious that consumers are not benefiting from higher rebates or if rebates are simply driving higher profits for PBMs.

Higher costs increase the financial burden on state governments and their residents, adversely affecting health outcomes and constricting government financial resources for other priorities.

LD 1165 not only assures savings are passed on to consumers but provides needed transparency and oversight.

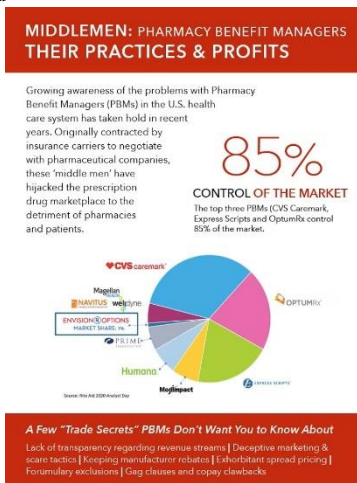
Under the current insurance system, rebates on pharmaceutical drugs are negotiated by PBMs in exchange for formulary placement. Instead of passing these savings through to patients who desperately need to afford their prescriptions, these rebates are retained by the PBMs and health insurers. This means that our most vulnerable citizens do not benefit from the lower net price of their lifesaving and lifesustaining medications and pay far more than they should.

When patients cannot afford their medications, they may ration or abandon their prescribed therapy, leading to painful and costly complications, or more tragic outcomes, worsening quality of life and driving up overall health care costs.

I encourage you to pass LD 1165.

I am happy to answer any questions and can be reached at wmurphy@epilepsynewengland.org.

Respectfully submitted,
Bill Murphy
Director, Advocacy & Public Policy
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