

LEGAL SERVICES FOR THE ELDERLY, INC.

5 Wabon Street, Augusta, Maine 04333

(207) 621-0087 Fax (207) 621-0742

Offices in Augusta, Bangor, Lewiston, Biddeford and Presque Isle

LSE Helpline 1-800-750-5353 (Voice/TTY)

www.mainelse.org

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Testimony of John Brautigam, Esq., Legal Services for the Elderly, in support of L.D. 1165, An Act to Enhance Cost Savings to Consumers of Prescription Drugs

Senator Bailey, Representative Perry, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

On behalf of Legal Services for the Elderly I would like to offer a few comments in support of LD 1165. Legal Services for the Elderly (LSE) is a nonprofit legal services organization dedicated to providing free legal assistance to Maine's older adults when their basic human needs are threatened.

No one doubts that the cost of prescription drugs remains a burden for many Mainers, and especially for our elderly friends and neighbors on a limited income. The economics surrounding the world of drug manufacturers, pharmaceutical benefit managers, carriers, retail pharmacies, and state programs are complex, and the policy challenges are vexing.

Current law provides in part that compensation paid by a drug manufacturer, developer or labeler must be passed through either directly to the covered person at the point-of-sale or to the person's carrier for use in reducing future premiums. LD 1165 would eliminate this second option and instead require any compensation such as a rebate to be passed directly through to benefit the consumer at the point-of-sale.

LD 1165 seeks to ensure that incentives, rebates, or other payments directly benefit the individual covered person. It reflects a long history whereby various innovations have not trickled down to help those who most need assistance. We applaud this intention.

We acknowledge the potential trade-off between minimizing cost at the point-of-sale, and potentially bringing down premiums. We also acknowledge that rebates and similar incentives may impact formularies, availability and ease of access. However, we are mindful of a long history which shows few innovations by the commercial players in this sector have benefited Maine's elderly and others who have difficulty affording the prescription drugs upon which their health and well-being depends. Baring the presentation of strong evidence that the present law benefits consumers more than the proposed change, we ask you to direct this intended better benefit to those who have the greater need. Thank you for letting us share our thoughts with you and we ask for your favorable consideration of LD 1165.