

Senator Bailey, Representative Perry and members of the committee:

I thank you for the opportunity to provide testimony in support of LD 1816 and LD 1829. My name is Noah Nesen, I am a family doctor and I am Chair of the Maine Prescription Drug Affordability Board, and I am submitting testimony on behalf of that board. The Maine Prescription Drug Affordability Board (MPDAB) was established in 2019 pursuant to MRS Title 5 Chapter 167-1 with members appointed by the Governor, the Senate President and the Speaker. We have worked (without funding) since 2020 to fulfill our charge from the legislature and have submitted annual reports for 2021 and 2022 with recommendations for actions, including legislation, to reduce the burden of prescription drug costs on the people of Maine. Our 2022 report includes the following language regarding Medicare Reference Rates, which forms the basis for our support of these bills:

On August 16, 2022, Congress enacted the Inflation Reduction Act, including historic measures enabling Medicare, for the first time, to negotiate prices for certain high-cost drugs which have been on the market for seven to eleven years, depending on product type. Negotiated prices for the first set of 10 drugs, known as Maximum Fair Prices (MFP), will be published September 2024. The MPDAB sees MFPs as an opportunity for Maine to leverage the work of the federal government, and recommends Maine adopts the MFPs as reference rates to set upper payment limits within our state. NASHP published model legislation to enable this approach in November 2022. Because the annual total of drugs for which there will be MFPs is a relatively small number (e.g., 10 in 2024, 15 in 2025, 15 in 2026, 20 in 2027), Maine should institute Medicare reference rates supplemented by Canadian reference rates where domestic MFPs are not available, to maximize savings. While the MPDAB's mandate focuses on public purchasers, reference rates could be extended beyond public purchasers to also realize savings for state regulated commercial plans, as well as for ERISA-regulated plans that may select to participate.

Sincerely,

A handwritten signature in black ink that reads "Noah Nesen, MD". The signature is written in a cursive, slightly slanted style.

Noah Nesen, MD, FAAFP

Chair, Maine Prescription Drug Affordability Board

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