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151 CAPITOL STREET  
102 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0102

JOEL ALLUMBAUGH  
CHAIR  
COMMISSIONER ANNE HEAD  
VICE-CHAIR  
KARYNLEE HARRINGTON  
EXECUTIVE DIRECTOR

DATE: May 19, 2023

TO: Senator Bailey, Representative Perry and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services

CC: Colleen McCarthy Reid, Principal Analyst  
Bethany Beausang, Senior Policy Advisor, Office of Governor Janet T. Mills  
Senator Cameron Reny  
Max Rush, Chief of Staff, Office of the President of the Senate  
Sam Zuckerman, Policy and Legal Director, Office of the President of the Senate  
Joel Allumbaugh, Chair MHDO Board of Directors  
Commissioner Head, Vice-Chair, MHDO Board of Directors

FROM: Karynlee Harrington, Executive Director, Maine Health Data Organization

RE: LD 1816 and LD 1829

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

This memo is to request that the committee consider adding language to the bill(s) specific to *reducing prescription drug costs by requiring reference based pricing*, LD 1816, and LD 1829, that would repeal the requirements in Title 22, Chapter 1683 Subchapter 4. **INTERNATIONAL REFERENCED RATE PRICING FOR PRESCRIPTION DRUGS.** As you know MHDO published its first annual report on International Referenced Rate Pricing for Prescription Drugs, as required in Subchapter 4. The full report can be found here:

<https://mhdo.maine.gov/RxReferenceRates.htm>

The definition of the prescription drug “referenced rate” or the “maximum fair price” described in the bills before the committee is *the maximum rate for a prescription drug published by the Secretary of the United States Department of Health and Human Services pursuant to United States Public Law 117-169, Section 1195 (2022)*, and does not include prescription drug pricing in Canada. Repealing Subchapter 4 would eliminate the costs associated with producing an annual report that does not support the policy direction as defined in these bills.

I welcome the opportunity to discuss this request with the committee during the work session. I thank the committee in advance for your consideration.

*Karynlee Harrington*