



Testimony Neither for Nor Against

LD 697, An Act to Direct the Maine Prescription Drug Affordability Board to Assess Strategies to Reduce Prescription Drug Costs and to Take Steps to Implement Reference-based Pricing

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Senator Bailey, Representative Gramlich and distinguished members of the Health Coverage, Insurance and Financial Services Committee, my name is Kim Cook, I am an attorney with Government Strategies, testifying neither for nor against to LD 697 on behalf of Community Health Options. Community Health Options exists for the benefit of its Members and its mission which is to provide affordable, high-quality benefits that promote health and wellbeing.

We are very supportive of efforts to reduce health care costs and address cost barriers for consumers. As the Committee knows well, the rising costs of health care directly translates to the rising cost of health insurance. This bill would change the powers and duties of the Maine Prescription Drug Affordability Board (the Board) to review data, solicit public input, assess a range of strategies to reduce prescription drug costs, and review how other states are approaching the challenge of high prescription costs.

Given this proposed scope, we strongly urge the Committee to add a health insurance carrier representative to the Board's Advisory Council. Health insurance carriers have a vested interest in lowering prescription drug prices and offer a unique and valuable perspective. As one example, when the Board undertakes its assessment of reference-based pricing, it is imperative that it considers the interplay between drug costs, manufacturer rebates, and premiums. Examining whether a reduction in claims costs would offset a potential reduction in rebate value and how that might impact premiums in the health insurance market would be valuable. Adding the expertise of a health insurance carrier to the Advisory Council as these policies are considered would ensure a more complete set of perspectives to the Board.

Thank you for your consideration of our testimony. We appreciate your attention to the issue of high drugs prices as it impacts the cost of health care and health coverage.