

LD 1053 – An Act to Ensure That Rebates from Prescription Drug Manufacturers Are Passed on to Patients at Pharmacies

Testimony of John Brautigam, Esq. for Legal Services for Maine Elders Joint Standing Committee on Health Coverage, Insurance, and Financial Services

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

My name is John Brautigam, and I am here today on behalf of Legal Services for Maine Elders. LSE provides free legal help for Mainers aged 60 and older when their basic human needs are at stake.

No one doubts that the cost of prescription drugs remains a burden for many Mainers, and especially for our elderly friends, family 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 1053 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 1053 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 benefit to those who have the greater need. Thank you.

LEGAL SERVICES FOR MAINE ELDERS, 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)