



HOUSE OF REPRESENTATIVES

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Testimony of Representative Margaret Craven introducing
LD 1165, An Act to Enhance Cost Savings to Consumers of Prescription Drugs
Before the Health Coverage, Insurance and Financial Services Committee

Senator Bailey, Representative Perry and honorable members of the Health Coverage, Insurance and Financial Services Committee, my name is Margaret Craven, and I represent House District 93, which includes part of Lewiston. I am here today to present **LD 1165, An Act to Enhance Cost Savings to Consumers of Prescription Drugs**.

This bill removes a provision in statute that requires that compensation remitted by, or on behalf of, a pharmaceutical manufacturer, developer or labeler to a pharmacy benefits manager be remitted to the carrier if it is not remitted to the covered person. In other words, this bill ensures pharmacy benefit manager rebates will be passed through to patients as cost-savings when they purchase their medication.

For those who do not know, pharmacy benefit managers are the middlemen who are hired to negotiate rebates and fees with drug manufacturers, create drug formularies and surrounding policies, and reimburse pharmacies for patients' prescriptions.

According to the Federal Trade Commission, "pharmacy benefit managers often have enormous influence on which drugs are prescribed to patients, which pharmacies patients can use and how much patients ultimately pay at the pharmacy counter."

This afternoon, you will hear from representatives of a number of organizations on behalf of their members who have chronic illnesses and depend upon needed medications. They will speak to the cost-burden their members face, the choices they make when they cannot afford both their medication and other expenses, and why this measure is truly necessary.

This bill retains the provision that requires that the compensation be remitted to the covered person to reduce the out-of-pocket costs associated with a prescription drug and it requires pharmacy benefits managers to annually report compliance with this requirement to the Superintendent of Insurance.

This bill also authorizes the Superintendent of Insurance to impose civil penalties and take enforcement action for noncompliance by a carrier or pharmacy benefits manager, and it further designates the information provided as confidential.

Thank you for your time and attention. I would be happy to answer any questions you have of me, but I also believe that there are stakeholders here today who may be better suited to answer specifics.