

**Testimony of**

*Al Prysunka*

*in Support of*

**LD 1395, An Act to Increase Transparency Regarding Certain Drug Pricing Programs**

*Before the Senate Committee on Health Coverage, Insurance and Financial Services*

**Public Hearing Date: Thursday, April 30, 2023**

Senator Bailey, Representative Perry and honorable members of the Health Coverage, Insurance and Financial Services Committee, I am Al Prysunka, a resident of Readfield and former Director of the Maine Health Data Organization (1997 – 2012), speaking in favor of LD 1395, An Act to Increase Transparency Regarding Certain Drug Pricing Programs. As you will soon learn from my testimony, I am also supportive of LD1143 and LD1191.

On June 29, 2022, I received a statement from MaineHealth showing a balance due of \$358.50 for a total knee replacement surgery which occurred on July 31, 2020. I was quite surprised to receive a summary statement **23 months** after the surgery occurred. Based upon the ambiguous nature of the statement, I had no idea what the \$358.50 represented. I then requested an itemized statement from MaineHealth, but after receiving it, I was still unclear what the \$358.50 balance represented. I then contacted MaineHealth again and eventually spoke to a billing supervisor who provided me with some clarifying pieces of information.

Although the itemized statement contains an Admission Date (07/31/20) and Discharge Date (08/02/20), which would indicate an inpatient hospital stay, my surgery was coded as an outpatient service with two days of observation. Consequently, instead of a \$0 copay, I was required to pay a \$50 copay as required under the terms of my health plan, which is the State of Maine Medicare Advantage plan administered by Aetna.

More importantly, because the knee replacement was billed (coded) as an outpatient service, I learned that the post-surgery drugs (both over the counter and prescription) administered to me during the two plus days I spent in the hospital are not covered under Medicare Part B. CMS classifies these types of drugs as “self-administered drugs”, which they would normally be if it were not for the reality that one is in a hospital bed, with attending nurses dispensing the drugs, and not at home. This was also surprising. I then requested from MaineHealth a detailed list of the “self-administered drugs” during my stay. I have included the list as Table 1 (page 3). As you will see the total amount charged for the drugs is \$308.50. You will also notice some extremely high prices for some of the drugs, which is what brings me before you today as you deliberate LD1395.

In order to better understand the relative equity of the prices charged by MaineHealth for the “self-administered drugs” I compared the per unit drug prices for MaineHealth to the current

Walgreen retail prices and to the Aetna reimbursement rates, which are presented as Table 2 (page 4). As you will notice, there is a significant mark-up for some of the drugs, with Celecoxib/Celebrex being the most significant. Although I do not understand the intricacies of the 340B program, I read that a ceiling price is calculated for each covered outpatient drug by the manufacturers, which can result in savings to the participant hospitals of 25% to 50%. This seems to suggest that the acquisition costs are significantly less than what is charged to their patients.

It took some time for me to realize the significance of the 340B program and how it impacts individuals such as myself who are covered by Medicare as well as those individuals who have private health insurance. While I am sympathetic to the plight of low-income and uninsured patients, I question the fairness of a mark-up which, in the case of Celecoxib, is 22 times that of the retail price. From my perspective, this is an inequitable level of cost shifting. If LD1395 is enacted, I hope that there will be greater transparency regarding the mark-ups on prescription drugs dispensed in hospitals for outpatient services and the resulting impacts on the Medicare and private pay patients.

Lastly, after submitting a claim to Aetna for a refund of the \$308.50 I paid for the "self-administered drugs" (which was an arduous and lengthy process), I received two checks which totaled \$67.86.

I would be happy to answer any questions and provide the Committee any additional information in my possession that you may require

**Table 1 – Self-Administered Drug List**

MAINEHEALTH NATIONAL DRUG CODE LIST									
Patient Name: Mrs. Mary Lem					MEMBER ID: 01/21/2021				
Primary Care: Maine Medical Center					Attending Physician: Michael W. B. Esq.				
Primary No.: 100476019					Attending Provider No: 107150190				
Date: 12/20/2019					Printed On: 12/20/2019 10:07:30 AM				
Drug	Drug ID	Medication Name	Strength	Unit	Frequency	Qty	Price/Unit	Total Price	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Once	1	\$12.59	\$12.59	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours	3	\$0.14	\$0.42	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Once	1	\$0.20	\$0.20	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Once	1	\$12.59	\$12.59	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours	3	\$0.14	\$0.42	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$0.17	\$0.17	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$0.91	\$0.91	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$57.05	\$57.05	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Nightly	2	\$0.19	\$0.37	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$8.25	\$8.25	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours	3	\$0.14	\$0.42	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$8.25	\$8.25	
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ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$0.91	\$0.91	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Once	1	\$1.59	\$1.59	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours	3	\$0.14	\$0.42	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 2 hours (Not Severe to a 12-18)	2	\$1.40	\$2.79	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours (PM to Moderate to Severe)	1	\$0.79	\$0.79	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours	3	\$0.14	\$0.42	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$0.17	\$0.17	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Nightly	2	\$0.19	\$0.37	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$0.91	\$0.91	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$57.05	\$57.05	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$8.25	\$8.25	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours (PM to Moderate to Severe)	1	\$0.79	\$0.79	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$8.25	\$8.25	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	2x Daily	1	\$57.05	\$57.05	
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ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Once	1	\$0.25	\$0.25	
ZANITRAB	000411020	ANITRABINOL 150 MG TABLETS	150mg	Tab	Every 6 hours	3	\$0.14	\$0.42	
<b>TOTALS</b>						<b>Quantity:</b>	<b>47</b>	<b>Charges:</b>	<b>\$308.50</b>

**Table 2 – Price Comparisons**

<b>Self-Administered Drug</b>	<b>MaineHealth Unit Price*</b>	<b>Current Retail Unit Price (Walgreens)</b>	<b>Aetna Reimbursement Unit Price</b>
ACETAMINOPHEN 325 MG PO TABS	\$0.14	\$0.09	\$0.00
CELECOXIB 200 MG PO CAPS	\$57.06	\$2.60	\$14.47
CHLORHEXIDINE GLUCONATE 15 ML 12% SOLN UD	\$8.26	\$2.78	\$0.92
DOCUSATE SODIUM 100 MG PO TABS	\$0.17	\$0.15	\$0.00
HYDROMORPHONE HCL 2 MG PO TABS	\$0.79	\$0.28	\$0.00
OXYCODONE HCL 5 MG PO TABS	\$1.40	\$0.24	\$0.61
OXYCODONE HCL ER 10 MG PO T12A	\$12.59	\$3.77	\$4.90
PREGABALIN 50 MG PO CAPS	\$2.91	\$2.84	\$1.62
SENNA 8.6 MG PO TABS	\$0.19	\$0.03	\$0.00
WARFARIN SODIUM 3 MG PO TABS	\$0.25 & \$1.59	\$0.08	\$0.00 & \$1.11

\*Not the acquisition cost of the drug.