

MAINE ASSOCIATION  
OF  
HEALTH PLANS

Testimony of Dan Demeritt  
Joint Standing Committee on Health Coverage, Insurance, and Financial Services

**In Opposition to LD 1793**

*An Act to Ensure Access to and Coverage of Low-Cost Insulin*

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

My name is Dan Demeritt, I am the Executive Director of the Maine Association of Health Plans (MeAHP). Our member plans provide or administer health insurance for 600,000 Mainers. We work as an association to improve the health of Maine people by promoting affordable, safe, and coordinated healthcare.

---

Our opposition to LD 1793 stems from the concern that the proposal will create an inaccurate and cumbersome process for adding insulin to a health plan formulary and prohibiting the use of cost sharing on those products.

The bill also further diminishes transparency around provider finances by exempting reporting related to the 340B drug program.

**Higher Costs and Required Formulary Inclusion**

Wholesale Acquisition Costs, as defined by Title 22 § 8731, does not necessary reflect the lowest cost for prescription drugs purchased from a manufacturer. It is the “sticker” price and does not reflect concessions that health plans negotiate on behalf of their members.

Anyone who has ever haggled over the price of a car knows that the sticker price is not always the final or best price.

LD 1793 requires carriers to include insulin drugs on their drug formularies at no cost share based on these potentially higher sticker prices even though other products may have a lower negotiated cost to consumers and premium payers.

**Shifting Not Lowering Costs**

The bill then doubles down on the potential for unintended consequences by eliminating cost-shares for “low cost” insulin, incentivizing consumers to potentially pick a higher net-cost drug.

Maine has already addressed this issue by limiting the cost sharing for insulin to \$35 per month for a 30-day supply. Appropriate cost sharing tools help to ensure the patient, plan sponsor, and insurer are all aligned to maintain the affordability of health insurance.

### **Cumbersome Exception Process**

The exception process proposed in the bill is ill-defined and cumbersome.

It requires a carrier to submit data to the Superintendent of Insurance demonstrating that an alternative drug has a lower net cost than the drug with the lowest WAC.

We also have concerns about not including 340B rebates.

Thank you for your consideration. We are happy to talk more about how we can work together to lower the true costs of prescription drugs but urge the committee to oppose this measure.

Thank you for this opportunity to provide comments. We urge the Committee to vote Ought-Not-to-Pass on LD 1793.