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THE MAINE SENATE
131st Legislature

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Testimony in Support of LD 2114
An Act to Improve Patient Access to and Savings from Generic Drugs and Biosimilars

***Presented to the Joint Standing Committee on Health Coverage, Insurance and
Financial Services***

February 20, 2024

Senator Bailey, Representative Perry and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Troy Jackson. I serve as President of the Maine Senate and have the great honor of representing Aroostook County in the Legislature. I am here today to introduce LD 2114, "An Act to Improve Patient Access to and Savings from Generic Drugs and Biosimilars."

I often feel like the health care industry in America is just one big circle with every industry player pointing the finger at another actor for driving up costs. We are told that the party responsible for these outrageous prices is someone else, therefore we shouldn't regulate anyone. But I'm not buying that. It's becoming clear that part of what drives up the cost of lifesaving medication is the murky system for pricing prescription drugs and the preferential treatment health insurers give brand name drugs.

By giving preference to brand name drugs and steering patients towards them, insurers prevent competition from generic and biosimilar drugs that are functionally identical to their brand name counterparts. This only drives up prices in the long term - all in pursuit of discounts and coupons and rebates that obscure the real cost of medications people need to live their lives.

This bill will level the playing field so that generic and biosimilar drugs have a chance to compete in an industry that they are too often locked out of. It would require insurers to cover these alternatives on their formularies when they have a lower wholesale acquisition cost than the brand name equivalent. And it would require that that lower wholesale cost be reflected in the out-of-pocket cost to the insured person. Finally, it would prohibit imposing prior authorization or step therapy requirements for coverage of drugs in these situations.

All of this will remove hurdles for patients to access drugs that manufacturers are selling at cheaper prices than the brand name equivalents. Once drugs go off patent and these generic and biosimilar versions can be made, the price for those drugs should go down. But too often these savings are not seen by the patients who need them.¹ My hope is that this bill will help move us in the right direction and make drugs more affordable for the people that rely on them.

Thank you for your time today. I urge you to support this bill and will do my best to answer any questions.

¹ <https://www.wsj.com/health/healthcare/generic-drugs-should-be-cheap-but-insurers-are-charging-thousands-of-dollars-for-them-ef13d055>