



53 Baxter Boulevard, Suite 202 | Portland, ME 04101
Phone: 866-554-5380 | Fax: 207-775-5727 | TTY: 877-434-7598
aarp.org/me | me@aarp.org | twitter: @aarpmaine
facebook.com/aarpmaine | instagram.com/aarpme

March 13, 2025

AARP Maine Testimony in Support of LD 697 An Act to Direct the Maine Prescription Drug Affordability Board to Assess Strategies to Reduce Prescription Drug Costs and to Take Steps to Implement Reference-based Pricing

Greetings Senator Bailey, Representative Gramlich and members of the Committee on Health Coverage, Insurance and Financial Services. My name is Bridget Quinn, Associate State Director of Advocacy and Outreach for AARP Maine.

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. On behalf of our nearly 200,000 members statewide, thank you for the opportunity to share testimony today. I am testifying in support of LD 697.

Today, many of Maine's older adults are struggling with the high cost of everyday items. High prescription drug prices are deeply personal for seniors and their families and impact their day-to-day life. One in five older adults report¹ having to forego filling their prescription or skipping doses to save money on their medications.

The good news is that due to the Federal Inflation Reduction Act (IRA) of 2022, Medicare is now negotiating what it will pay for some prescription drugs. The lower negotiated rates for 10 of Medicare's top drugs will take effect in 2026 and are expected to save beneficiaries a collective \$1.5 billion in out-of-pocket expenses in the first year.² Maine can build on this good news by passing LD 697.

This is not the first-time legislation recommending price referencing has been before this committee. The issue may be familiar to those who served in past sessions. In 2023, after instruction by the legislature, the Maine Health Data Organization started reporting on what the state could have saved if we used an international reference price. In 2023, their first report indicated that if the state set an upper payment limit based on Canadian prices

¹ <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2805012>

² <https://www.aarp.org/health/medicare-insurance/info-2025/medicare-out-of-pocket-cap-savings.html#:~:text=The%202022%20prescription%20drug%20law,expenses%20in%20the%20first%20year.>

on 72 identified drugs, Mainers could save \$146.7 million annually. Further efforts to enact legislation establishing reference pricing did not pass due to legal concerns. LD 697 differs by looking at the Medicare Maximum Fair Price (MFP) as a reference and changing the authority of the Prescription Drug Affordability Board.

The bill instructs the Prescription Drug Affordability Board to focus on strategies that reduce the cost of prescription drugs and support consumers. As written, LD 697 will take a step at reducing the cost of prescription drugs for vulnerable Mainers and will not trigger legal questions that we have seen from similar legislation in the past. It will require the Maine Prescription Drug Affordability Board to review how states with authority to establish upper payment limits have implemented that authority and their regulation of pharmacy benefits managers, to recommend whether the board should have comparable authority, and to assess implementing reference-based pricing for the first 10 prescription drugs for which the Medicare program has negotiated maximum fair prices through the Medicare drug price negotiation program.

The Medicare negotiated cost on some prescriptions will bring some relief to Mainers struggling to afford prescriptions. But we must continue to explore ways to bring relief to the most vulnerable and LD 697 is a way to that. We urge this committee to vote Ought to Pass. If you have questions, I can be reached at bquinn@aarpp.org. Thank you for the opportunity to testify today.

Bridget Quinn
AARP Maine