

**Testimony of Lisa Nolan  
to the Joint Standing Committee on Health Coverage, Insurance and Financial Services**

**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**

**March 13, 2025**

Good afternoon, Senator Bailey, Representative Gramlich, and Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

My name is Lisa Nolan and I'm the Director of Advocacy and Strategy at the Healthcare Purchaser Alliance of Maine. I'm here on behalf of the Alliance's CEO, Trevor Putnoky, who couldn't be here today.

The HPA is a nonprofit that represents the purchasers of health care in Maine. Our mission is to advance and support access to high-quality, affordable care. We have over 60 members, including some of the largest public and private employers and health trusts in Maine. Collectively, our members spend over a billion dollars annually providing health care for nearly one quarter of the commercially insured population in the state. Over 25 percent of that total—or more than \$250 million—is spent on prescription drugs.

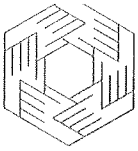
I'm here today to testify in support of LD 697 and to urge the committee to support the changes that the LD would make to the Maine Prescription Drug Affordability Board, which will allow the PDAB to evaluate and recommend strategies to reduce the costs of prescription drugs for Maine consumers and employers.

After years of rising healthcare costs, affording care is already a daily struggle for many Maine employers and families, with premiums continuing to increase at a significantly higher rate than wages and inflation. Prescription drugs are a major driver behind these rising costs. Among our employer members, pharmacy spend grew 44 percent between October 2020 and October 2024. This is more than double the trend for medical spend over the same time period.

These rising costs are also hitting Maine consumers. Preliminary results from a recent Consumers for Affordable Health Care survey found that nearly 30 percent of Mainers have postponed filling or refilling a prescription due to cost, while 22 percent have cut pills in half, skipped doses or didn't fill a prescription due to cost issues. So, it's not surprising that among the 45 percent of Mainers who have medical debt in their household, nearly half—or 46 percent—say that the cost of prescription drugs contributed to their debt.<sup>1</sup>

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<sup>1</sup> Consumers for Affordable Health Care, *Examining Views Toward Health Care in Maine: Preliminary updated survey results*, January 2025.



One of the HPA's primary objectives is to promote effective strategies among our members that reduce healthcare costs while maintaining access to high quality care and services. When it comes to prescription drugs, HPA members have implemented a variety of these strategies, such as the utilization of transparent pharmacy benefit managers who commit to passing through 100 percent of drug rebates to the health plan to help lower premiums; eliminating spread pricing; and pursuing value-based formularies that incentivize the use of lower-net-cost generics and biosimilars. Our members have found that these sorts of strategies can moderate spend without impacting patient access to the medications they need, and this, in turn, reduces pressure to increase member cost sharing through higher deductibles, premium contributions or copays.

Charging the PDAB with exploring these and other strategies will help identify and promote effective tools and approaches that Maine employers can undertake individually or collectively to improve the affordability of prescription medications for their plans—and for the employees and dependents on those plans. Further, with access to Maine-specific drug spending data, the PDAB can customize its recommendations to focus on strategies that address specific prescription drug cost drivers in Maine.

Many of the medications on the market today offer life-saving or life-changing treatments for patients grappling with serious illnesses and chronic conditions. Our members are committed to making these medications available to their employees and dependents as cost-effectively as possible, to minimize the impact on premiums, deductibles, copays, and coinsurance. Because prescription drug procurement is an extremely complex and fast-changing space, we welcome the proposed enhancements to the PDAB, which would further strengthen its role as a valuable resource for employers seeking strategies to improve prescription drug affordability.

Thank you for the opportunity to share our support for LD 697. I'd be happy to answer any questions and will be available for the work session.