

Testimony of Maine Public Health Association Neither For Nor Against: LD 686 - An Act To Increase Prescription Drug Pricing Transparency

Joint Standing Committee on Health Coverage, Insurance and Financial Services Room 220, Cross State Office Building Tuesday, April 13, 2021

Good morning Senator Sanborn, Representative Tepler, and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. My name is Rebecca Boulos. I am a resident of South Portland and executive director of the Maine Public Health Association. I am here to provide testimony neither for nor against LD 686: "An Act To Increase Prescription Drug Pricing Transparency."

MPHA is the state's oldest, largest, and most diverse association for public health professionals. We represent more than 500 individual members and 30 organizations across the state. The mission of MPHA is to improve and sustain the health and well-being of all people in Maine through health promotion, disease prevention, and the advancement of health equity. As a statewide nonprofit association, we advocate, act, and advise on critical public health challenges, aiming to improve the policies, systems, and environments that underlie health inequities – but which also have potential to improve health outcomes for all people in Maine. We are not tied to a national agenda, which means we are responsive to the needs of Maine's communities and we take that responsibility seriously.

This bill allows the Maine Health Data Organization (MHDO) to publicly share the information it collects from drug companies, helping patients, providers and policymakers understand why and how drug companies are changing prices.

We support the intent of the bill, which is to improve transparency of drug pricing. <u>According to the National Conference of State Legislatures</u>, prescription drugs account for 10 percent of overall health spending in the U.S. The MHDO publishes an annual prescription drug report that includes:

- 1. The 25 Costliest Drugs (determined by the total amount spent in the State)
- 2. The 25 Most Frequently Prescribed Drugs in the State
- 3. The 25 Drugs with the Highest Year-Over-Year Cost Increases (determined by the total amount spent in the State)

From the current assessment period (July 1, 2019 – June 30, 2020, compared with July 1, 2018 – June 30, 2019), the cost of prescriptions increased by 11.1%. The cost per prescription increased from \$151 to \$165 (9.3%). High costs for prescription medication can lead to non-adherence, preventing patients from receiving appropriate care and worsening health outcomes; unsupported higher drug costs also contribute to unnecessary increases in the cost of health care in Maine and the U.S. Increased transparency can help address these issues of concern.

We see this bill as an important steppingstone toward reigning in the costs of prescription drugs, which can improve patient adherence and public health. Thank you for your consideration.

122 State Street, Augusta, ME 04330 • 207-808-0487 • mainepublichealth.org