TESTIMONY OF

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130th Legislature

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LD 686 "An Act To Increase Prescription Drug Pricing Transparency"

Senator Sanborn and Representative Tepler and members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services, my name is Karynlee Harrington. I am the Executive Director of the Maine Health Data Organization (MHDO) and I am here today to present testimony in support of LD 686, An Act To Increase Prescription Drug Pricing Transparency.

Role of MHDO

The Maine Health Data Organization (MHDO) is authorized by statute to collect health care data, including prescription drug pricing component data. Rule 90-590, Chapter 570, *Uniform Reporting System for Prescription Drug Price Data Sets*, explains the provisions for filing prescription drug pricing data with MHDO, from prescription drug manufacturers, wholesale drug distributors and pharmacy benefits managers. Rule Chapter 570 is a major substantive rule and is currently before this committee with a set of proposed changes, that are meant to clarify the data submission reporting requirements which will ensure more uniform data submissions and streamline the data collection and validation process.

Summary of Proposed Changes

Several of the proposed changes in Chapter 570, specific to definitions and reporting

requirements are defined in LD 686. Included in my testimony on LD 41, *Resolve, Regarding Legislative Review of Portions of Chapter 570: Uniform Reporting System for Prescription Drug Price Data Sets, a Major Substantive Rule of the Maine Health Data Organization*, is detailed documentation that provides the rationale for many of the proposed changes in LD 686.

As stated earlier by Senator Vitelli, LD 686 reflects MHDO's first years' experience of collecting and reporting on prescription drug pricing component data. LD 686 refines the current requirements by creating administrative efficiencies for the manufacturers; explicitly provides the authorization for MHDO to collect pricing component data that is most relevant to Mainers; and allows for greater transparency in the public reporting of the data that is collected.

Summarized below are these key revisions:

- Removes the manufacturers requirement to provide notice to MHDO of triggered WAC changes in wholesale acquisition costs (WAC); and instead requires the MHDO to post on its website a list of prescription drugs that hits the trigger defined in statute;
- Provides reporting entities with 30-day notice of drug product families for which MHDO intends to request pricing component data;
- Clarifies that MHDO is authorized to request data for any NDC it considers relevant to providing greater consumer awareness with emphasis on NDCs with triggered WAC changes or included on MHDO's top 25 drug reports as required by statute; and
- Modifies what pricing information may be publicly reported by allowing identification of specific drugs, reporting entities, and publicly available pricing information as long as specific contract terms are not disclosed.

I look forward to working with the committee during the work session. That concludes my testimony.