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**Testimony in Support of**

- **LD 120, An Act To Lower Health Care Costs through the Establishment of the Office of Affordable Health Care**
- **LD 673, An Act To Create the Insulin Safety Net Program**
- **LD 675, An Act To Protect Maine Consumers from Unsupported Price Increases on Prescription Medicines by Creating an Independent Review Process**
- **LD 686, An Act To Increase Prescription Drug Pricing Transparency**
- **LD 1117, An Act To Prevent Excessive Prices for Prescription Drugs**

Good morning Senator Sanborn, Representative Tepler, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services. My name is Kathy Kilrain del Rio and I am the Director of Campaigns and Healthcare Advocacy for Maine Equal Justice, a nonprofit legal aid provider working with low-income Mainers to increase economic security, opportunity, and equity for people in Maine. **Today I am submitting testimony in support of LD 120, LD 673, LD 675, LD 686, and LD 1117.**

We've long known that health care costs and the costs of prescription drugs are a major obstacle for many Mainers to maintain good health. A Kaiser Family Foundation report found that in 2014 Mainers' per person health care spending was more than \$1,500 higher than the national average.<sup>i</sup> A report from Maine Center for Economic Policy (MECEP) to the legislature in 2019 highlighted some stark economic data. In 2018, Mainers spent 17 percent of their consumer expenditures on health care, compared to only spending 14 percent in 1997.<sup>ii</sup> Unsurprisingly, as health care costs increase, our ability to pay for other basic needs is limited. The impact of rising costs disproportionately harms those who have the smallest financial cushion, including those who have low incomes and those on fixed incomes. When faced with the choice between paying for food, housing, transportation for work or school, and health care, many Mainers skip necessary health care or try to make their prescriptions stretch by taking using less than prescribed. For example, in 2018 125,000 Maine adults didn't get the care they needed when they needed it because they couldn't afford it.<sup>iii</sup>

Many lower income families have incomes that fluctuate – making them move between MaineCare and other health care coverage. Many private health insurance plans – either provided by an employer or through the Marketplace – have costs that are still too high for lower income families to afford. An unexpected medical bill, serious illness, accident, emergency, or ongoing prescription costs or care for a chronic condition can quickly spiral a family into debt and even the loss of housing or transportation. In turn that can negatively impact their ability to work or be successful in school. When we have to make these tradeoffs, our health suffers in many ways – as you've heard from man others today.

For these reasons, we support the creation of the Office of Affordable Health Care to help Maine, as proposed in LD 120, so we can get a better understanding of what is pushing up the costs of health care

for Mainers, and in turn, what solutions could help get those rising costs under control. Increased transparency about health care costs and additional data about these issues can help policymakers make good decisions about our many health care systems.

When it comes to the escalating costs of prescription drugs, a multi-prong approach like those proposed in LDs 1117, 673, 675, and 686 is desperately needed. With LD 686, increased transparency about how the costs incurred by drug companies for research and development, production, marketing, and advertising as well as more information about how they set the costs for consumers will provide policymakers valuable data to inform future efforts to reign in prescription drug costs.

But we need protections for Maine people who are being exploited right now. LDs 1117 and 675 will provide checks on pharmaceutical companies that attempt to price gouge Mainers with extreme price increases for life-saving and necessary medicines as well as pharmaceutical companies that unnecessarily raise prices in smaller increments that still create great harm for Mainers financial stability. People across our state who are struggling to make ends meet need you to stand for them. Their lives should be more important than huge profits for drug manufacturers.

Finally, LD 673 will support the many Mainers with diabetes who cannot afford the cost of insulin. In 2016, 8.5% of Mainers 18 and older had been diagnosed with diabetes and another 7.4% had been diagnosed with prediabetes.<sup>iv</sup> For many of those with diabetes, insulin is necessary to survive. However, A 2019 study found that one in four people report not taking enough insulin due the cost.<sup>v</sup> Cost should not keep people from taking a drug that is necessary for their survival. For many of us, hardly a week goes by when we don't hear stories from friends, neighbors, coworkers, and other Mainers who don't know how they will purchase insulin needed by their child, family member, or themselves. LD 673 would help address this terrible situation by creating a safety net for those who cannot afford insulin.

In addition to the positive impacts for individual Mainers that these bills could provide, getting the rising costs of health care and prescription drugs under control could also reduce costs for our MaineCare program and make federal subsidies on the Marketplace stretch further.

Together the bills before you this morning can make a serious and needed impact on the costs of health care and prescription drugs in our state. For these reasons we urge you to support LDs 120, 1117, 673, 675, and 686. Thank you for the opportunity to speak on these bills. I'm happy to answer any questions you may have.

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<sup>i</sup> <https://www.kff.org/other/state-indicator/health-spending-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

<sup>ii</sup> <https://legislature.maine.gov/doc/3626>

<sup>iii</sup> Ibid.

<sup>iv</sup> <https://www.cdc.gov/diabetes/pdfs/library/Diabetes-Report-Card-2019-508.pdf>

<sup>v</sup> Herkert D, Vijayakumar P, Luo J, et al. Cost-Related Insulin Underuse Among Patients With Diabetes. JAMA Intern Med. 2019;179(1):112–114. doi:10.1001/jamainternmed.2018.5008