Testimony in opposition to

LD 1706 An Act To Require Appropriate Coverage of and Cost-sharing for Generic Drugs and Biosimilars

Presented by Kimberly Cook
May 20, 2021

As Maine's nonprofit CO-OP health insurance company, we are focused on providing affordable, high quality benefits that promote health and wellbeing.

We employ a tiered drug formulary cost sharing arrangement for our Members that promotes the use of safe and affordable prescription medications. We oppose this bill as currently written because it fails to take steps to control the costs of prescription drugs and takes an oversimplified approach to formulary development which will not achieve the goal of lowering costs for consumers.

Health Options formulary offers over 1,350 generic products and contains two (2) generic tiers which offer increased access and affordability to our Members. Additionally, some of our benefit plans offer additional savings on generic drugs including $0 cost-sharing.

Biosimilar drugs may cost thousands, if not tens of thousands of dollars. We believe it is unlikely that carriers would choose to place these biosimilar drugs in a generic tier. In order to create a tier for biosimilar drugs, plans would essentially need to create two specialty drug tiers adding another level of complexity to an already complicated formulary system. We are concerned that a six-tier formulary would be unduly burdensome and inconsistent with the goals of plan simplicity.

We believe the prohibition on step therapy or prior authorization requirements creates a danger to Member safety and should be deleted. A number of prior authorization and step therapy coverage rules are safety based. Additionally, some generics are controlled substances that have quantity limitations with state or federal restrictions.

Biosimilars often have specific conditions they can treat, and some are not FDA approved for all the same indications as the “originator” or “reference” product, and hence cannot be used for that indication. Without prior authorization criteria, a plan would not know that the product is being used for a FDA-approved indication. There are no biosimilars that the FDA has considered “interchangeable” with the originator product, so pharmacists cannot automatically substitute one for the other.

We urge the Committee to vote Ought Not to Pass. Thank you for considering our testimony.