



Troy D. Jackson  
President of the Senate

THE MAINE SENATE  
130th Legislature

3 State House Station  
Augusta, Maine 04333

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

**Presented to the Joint Standing Committee on Health Coverage, Insurance and Financial Services**

May 20, 2021

Senator Sanborn, Representative Tepler and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Troy Jackson. I serve as President of the Maine Senate and have the great honor of representing Senate District 1, which is made up of the good people of Northern Aroostook County. I am here today to introduce LD 1706, An Act To Require Appropriate Coverage of and Cost-sharing for Generic Drugs and Biosimilars."

Mainers spend more than the national average on health care (national average in 2014 was \$8,045 and the average in Maine in 2014 was \$9,531).<sup>1</sup> In addition, the United States spends more on health care per capita than any other developed country.<sup>2</sup> Of the more than \$9,500 we each spend on health care each year, more than \$1,000 of that is spent on prescription drugs alone (Maine's average for prescription drugs and other medical non-durables was \$1,159 in 2014).<sup>3</sup>

These are the numbers that are responsible for the stories we hear from our constituents far too often. Stories about skipping doses, cutting pills in half, and living in fear that one misstep or a run of bad luck will put life-saving medication out of reach.

I'm incredibly proud of the work we have done in the past few years to tackle the high cost of prescription drugs. However, knowing that one in four Americans still struggles to pay for their prescription drugs and that over 13% of American adults have lost a friend or family member because they could not afford medical treatment gives me no comfort.<sup>4</sup>

That's why I'm continuing the fight today by presenting this bill. LD 1706 ensures Mainers have access to the prescription drugs they rely on, at the lowest cost possible. Ideally, healthcare would be free and accessible to all Mainers. However, until we are able to create a system that acknowledges healthcare as a human right, Mainers should be able to make health care decisions

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<sup>1</sup> <https://www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2017.0416>

<sup>2</sup> [data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD?most\\_recent\\_value\\_desc=true&type=shaded&view=map](https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD?most_recent_value_desc=true&type=shaded&view=map)

<sup>3</sup> [www.kff.org/other/state-indicator/health-spending-per-capita-by-service/?currentTimeframe=0&sortModel=%7B%22collid%22:%22Location%22,%22sort%22:%22asc%22%7D](https://www.kff.org/other/state-indicator/health-spending-per-capita-by-service/?currentTimeframe=0&sortModel=%7B%22collid%22:%22Location%22,%22sort%22:%22asc%22%7D)

<sup>4</sup> <https://news.gallup.com/poll/268094/millions-lost-someone-couldn-afford-treatment.aspx>

based on cost. In addition, if the cheapest drugs were on the lowest formulary tier, we'd be able to make decisions that save us money. The system seems straightforward but the reality is all the players involved manipulate the system to grow their own bottom lines. Instead of placing cheap generics on the lowest cost-sharing formulary tiers, often those drugs end up on higher tiers because of complex payment arrangements between manufacturers, PBMs and insurance companies. When consumers pay the full price of lower-tier, brand-name drugs because they haven't hit their deductible or when coinsurance is based on the full price, consumers face the high-priced consequences of formulary manipulation.

Shouldn't the lowest-cost drugs also be the cheapest for consumers to buy? This bill aligns incentives so drugs that cost less to manufacture are available to consumers and comparably lower prices. This puts more money in Mainers' pockets, instead of corporations.

The bill requires that health plans offer at least one generic form of any branded drug included on the formulary and that the generic form is offered on a lower cost-sharing tier than the branded equivalent. The generics must be offered for a "meaningfully lower" amount, which will encourage patients to use those drugs instead of being steered toward their branded counterparts that provide the same treatment at a much higher cost. Although the bill will lead to lower prices for consumers, it does not and could not interfere with patent protections that will continue to incentivize advancements in pharmaceuticals for the benefit of patients.

While brand-named drugs tend to get the most public scrutiny, generic drugs and manufacturers are not innocent of imposing dramatic price increases or playing pricing games. In fact, there are a number of lawsuits alleging price-fixing among generics.<sup>5</sup> This bill, along with some other vital bills heard by this committee on prescription drug pricing, will provide an important safeguard against prescription drug price inflations caused by nothing but corporate greed.

I look forward to working with all of you to help pass this bill into law. Thank you for your time and hard work.

Troy Jackson  
Maine Senate District 1  
President of the Senate

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<sup>5</sup>[www.reuters.com/article/us-usa-generic-alembic/ex-sandoz-executive-pleads-guilty-in-u-s-generic-drug-price-fixing-scheme-idUSKBN2082H2](http://www.reuters.com/article/us-usa-generic-alembic/ex-sandoz-executive-pleads-guilty-in-u-s-generic-drug-price-fixing-scheme-idUSKBN2082H2)