

Suzanne Carmichael  
Maine Widows-in-Action  
LD 1636

MAINE WIDOWS-IN-ACTION

"Reimagining 'widowhood' for the 21st Century"

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Testimony in Favor of LD 1636

An Act To Reduce Prescription Drug Costs by Using International Pricing

To: Co-Chairs Senator Heather Sandborn and Representative Denise Tepler. and members of the Committee on Health Coverage, Insurance and Financial Services

My name is Suzanne Carmichael. I am the founder and director of Maine Widows-in-Action, an organization of widows committed to making change in their communities. Today I picked up a thirty-day supply of a prescription medicine that I must take twice daily for the rest of my life. My cost was \$1038.49. Experiences like this happen every day to Maine residents, many of whom are elderly, in poor health and have limited financial resources. They struggle to pay outrageous drug prices that force some to cut back on food, heating, and other basic necessities. LD 1636 will be a powerful quiver in the arsenal against these unconscionable drug prices.

The arguments in favor of IRP. Committee members understand the scope of this problem and that U.S. prescription drug prices are the highest of any developed country. The International Reference Pricing (IRP) strategy proposed in LD 1636 will reduce prescription prices for the 250 most costly drugs used by Maine consumer by considering ("referencing") the price of each drug in Canada's four largest provinces. The lowest of these four prices will then be the maximum that can be charged in Maine for that drug. Researchers estimate that if IRP had been used throughout our country in 2020, prescription costs would have been cut by fifty-two percent. In addition, the National Academy for State Health Policy has stated that IRP is designed to be easy for a state to administer and does not require costly infrastructure.

Answers to arguments against IRP. Scare tactics and bullying will no doubt once again be Big Pharma's response to LD 1636. These "concerns" will include

- "LD 1636 is unconstitutional." To embroider this point they will point to the Maryland prescription drug pricing law that a Federal Court ruled unconstitutional based on the "Dormant Commerce Clause." This clause prohibits a state from enacting laws that unduly burden interstate commerce by violating the principle of "extraterritoriality" which means a law's intent and practical effect will extend beyond the state's borders. LD 1636, however, specifically provides that the intent is to only effect drugs sold within Maine, to Maine consumers. An article on Pharmaceutical-techology.com said "limiting the scope of price gouging laws to drugs sold to in-state groups like state plans or state consumers will best mitigate the Dormant Commerce Clause concerns."

- "American drugs are expensive because Pharma spends so much money on research and innovation." The implication is that if drug manufacturers must limit what they can charge, then research and innovation will suffer. This is a specious argument. Highly competent, vetted research documents that price increases are driven by the cost of medications already available, not new drugs. Additionally, even after the cost of research is deducted, the top twenty drugs sold in the U.S. make billions in excess profits. One of the primary reasons drug prices are so high is the cost of manufacturers' direct-to-consumer advertising. The United States and New Zealand are the only countries where drug makers are allowed to market prescription drugs directly to consumers. The U.S. consumer drug advertising boom on television began in 1997, when the FDA relaxed its guidelines relating to broadcast media. It is not surprising that of the top ten largest pharmaceutical companies in the world, only one spends more money on research than on marketing. The pharmaceutical companies and their lobbyists continue to puff smoke screens filled with untruthful, refutable information. Please don't let their self-serving statistics and misinformation cloud the reality of what LD 1636 can do for the people of Maine.

Maine Widows-in-Action urges this Committee to stand-up to Big Pharma's scare tactics and vote unanimously to pass LD 1636. Your votes will benefit Maine residents for decades to come.

Respectfully submitted,

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