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Testimony in Support of LD 1636, An Act to Reduce Prescription Drug Costs by Using International Pricing

February 15, 2022

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'm the Advocacy & Programs Director 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 1636.

There is strong bipartisan support, in Maine and across the country, to bring down the cost of prescription drugs.¹ Although the federal government has, thus far, fallen short in that aim, Maine lawmakers still have an opportunity to take the lead and address the unfair drug pricing that impacts so many of their constituents.

Six out of ten U.S. adults report taking at least one prescription drug and one quarter of adult's say they are taking four or more.² With no shortage of consumers, drug manufacturers charge U.S. patients significantly more for the same drugs that they sell for less in other nations.³ In fact, prescription drug prices in the United States are 218% higher than in Canada.⁴ Amid a global pandemic when so many Maine families are struggling to make ends meet, pharmaceutical companies have made record-breaking profits.⁵ This bill would seek to even the playing field by establishing an international reference rate for the 250 costliest drugs to Mainers, and bring us in line with our Canadian neighbors.

We've long known that health care costs and the costs of prescription drugs are major obstacles for Mainer's health and economic well-being. A report from Maine Center for Economic Policy (MECEP) to the legislature in 2019 showed that Mainers in 2018 spent 17 percent of their consumer expenditures on health care, compared to only 14 percent in 1997.⁶ Unsurprisingly, as health care costs increase, our ability to pay for other basic needs is diminished. The impact of rising costs disproportionately harms the elderly and those with the smallest financial cushion, including those who have low incomes and those on fixed incomes. Over half of Mainers recently surveyed

¹ <https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-build-back-better-act/>

² <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>

³ <https://www.rand.org/news/press/2021/01/28.html>

⁴ https://www.rand.org/pubs/research_reports/RR2956.html

⁵ <https://www.bmj.com/content/376/bmj-2021-067367>

⁶ <https://legislature.maine.gov/doc/3626>

indicated that they were worried about affording a prescription drug, and those experiencing the most worry were residents of households making less than \$50,000 per year.⁷ When faced with a choice between paying for food, housing, utilities, and health care, many Mainers put off necessary care or try to make their prescriptions stretch by taking less than prescribed. Recent polling found that 1 in 3 Mainers skipped a dose, cut a pill in half, or didn't fill a prescription in the past year due to cost. This was true even among people with MaineCare.⁸

Not only does this reduce the effectiveness of the treatment it can have devastating health consequences for those managing chronic conditions.

In addition to the positive impacts for individual Mainers that this bill could provide, curbing the rising costs of prescription drugs would also reduce costs for our MaineCare program and make federal subsidies on the Marketplace stretch further.

We appreciate that Senator Claxton sponsored this bill and also appreciate the opportunity to speak in support of it today. LD 1636 is an important step in bringing down health care and prescription drug costs in our state. I urge you to support this needed legislation. I'm happy to answer any questions.

⁷ https://www.healthcarevaluehub.org/application/files/3916/4159/0830/Hub-Altarum_Data_Brief_No._113_-_Maine_High_Drug_Prices.pdf

⁸ https://www.healthcarevaluehub.org/application/files/3916/4159/0830/Hub-Altarum_Data_Brief_No._113_-_Maine_High_Drug_Prices.pdf