

**Testimony in Support of LD 1636,
An Act To Reduce Prescription Drug Costs by Using International Pricing
February 15, 2022**

Senator Sanborn, Representative Tepler and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

I am Ann Woloson, Executive Director of Consumers for Affordable Health Care. I am here today to testify in support of LD 1636, An Act To Reduce Prescription Drug Costs by Using International Pricing. Consumers for Affordable Health Care is a Maine-based, nonpartisan, nonprofit organization with the mission to improve access to affordable, quality health care for all people living in Maine

Consumers for Affordable Health Care also serves as Maine's Health Coverage Consumer Assistance Program. CAHC maintains a toll-free HelpLine where any Mainer in need of health coverage or health care can get help understanding their options from trained assisters.

We often hear from people who have difficulties accessing the prescription medicine they need. In fact, while steps have been taken by policy makers to address rising costs, a [survey of Maine people](#)¹ from the fall revealed that:

- Nearly one out of three adults in Maine skipped a dose of medicine, cut pills in half, or didn't fill a prescription because of the cost in the last year, and
- Three out of four Mainers are worried about being able to afford prescription drugs and support policies to address high prescription drug costs.²

The Maine Health Data Organization³ released new data last week showing that Mainers spent over \$170 million more last year on 25 drugs with the highest increases in cost over the previous year.

¹ <https://www.healthcarevaluehub.org/advocate-resources/publications/maine-residents-worried-about-high-drug-costs-support-range-government-solutions>

² <https://www.maineahc.org/wp-content/uploads/2021/02/Critical-Insights-on-Maine-Report-of-Findings-edited-pg-8-Fa-II-2020.pdf>

³ <https://mhdo.maine.gov/tableau/prescriptionReports.cshtml>

Drugs on that list include:

- Humira Pen, used to treat arthritis – a drug people in pain use to alleviate pain - Mainers paid over \$27 million more for the Humira Pen last year than they did the previous year.
- Eliquis, used to prevent serious blood clots from forming due to a certain irregular heartbeat (atrial fibrillation), or that is often prescribed after hip/knee replacement surgery – Mainers paid over \$17 million more for that drug last year than they did the year before.⁴

In 2020, the cost a unit of Eliquis [2.5 mg] was \$1.17 per unit in Quebec compared to \$7.53 in the US – over 643% more than what people pay in Quebec⁵. This price difference results in the US paying tens of thousands more for the same drug over the course of a year.

Again, Consumers for Affordable Health Care maintains a toll-free HelpLine (1-800-965-7476) where any Mainer can reach out for help understanding their health coverage options and options for accessing the health care and prescription drugs they need. We have heard from Mainers, both with and without insurance, who have difficulty accessing and paying for the medication they need:

- Suzan, who lives in Kennebec County, whose daughter needs expensive medication to function, go to school, and stay out of the hospital. Her daughter remains on her parent's coverage, but even with health insurance, the family has accumulated significant medical debt, in part, due to the high cost of the medicine their daughter needs. Suzan worries about how her daughter will be able to afford the medicine she needs when she no longer qualifies for her parent's health insurance.
- Barbara, who lives in Aroostook County, who recently experienced severe abdominal pain and needed to go to the emergency room. The hospital provided her with antibiotics the cost of which was \$3,000 for just 4 pills. Her insurance won't pay for the medicine and now Barbara is at risk of being sent to collections.

⁴ <https://mhdo.maine.gov/tableau/prescriptionReports.cshtml>

⁵ <https://www.nashp.org/qa-a-model-act-to-reduce-prescription-drug-costs-using-international-pricing/>

- Pete, who lives in Penobscot County, has diabetes and is not offered health coverage through his work. He is purchasing individual health insurance, but with an annual gross salary of just over \$30,000, struggles to make ends meet. Pete worries about being able to pay for his coverage and the required monthly copayment required for his insulin. Changes in Maine law have helped reduce what he needs to pay – but still he worries about how he will pay for the medicine he needs, especially if an unexpected expense comes his way, for example his car breaks down or his furnace needs to be replaced.

These are just a few people living and working in Maine who are struggling to pay for the prescription drugs they need.

Finally, health insurance rates are also affected by high drug costs. The chart below⁶ was provided as part of a small group rate filing by a Maine carrier last year. You can see that anticipated changes in rates due to prescription drug inflation and utilization reflect the highest inflation trend assumption:

Medical and Prescription Drug Inflation & Utilization Trend

Claims costs were increased for anticipated changes due to medical/prescription drug inflation and medical/prescription drug utilization. This development of the 2022 rates reflects an annual trend of 7.44% for Year 1 and 7.44% for Year 2. The Year 1 trend is consistent with the trend used in the 2021 pricing. The Year 2 trend is consistent with the trend used in the 2021 pricing. The Year 2 trend is also reported as the Year 2 Trend in Worksheet 1, Section II of the URRT.

Table 2.1 Maine Community Health Options (d/b/a Community Health Options) Unit Cost and Utilization Trend Assumptions			
Service Type	Inflation	Utilization	Total
Inpatient Hospital	5.1%	1.1%	6.2%
Outpatient Hospital	5.4%	1.0%	6.4%
Professional	5.9%	1.6%	7.7%
Other Medical	5.4%	0.0%	5.4%
Prescription Drug	11.7%	1.0%	12.8%

We know people in Canada are paying far less for the drugs they need and we hope this bill can be used to shed more light on why that is the case and how

⁶ Part III Actuarial Memorandum, Maine Community Health Options Small Group Rate Filing, Effective January 1, 2022

Maine could help make prescription drugs more affordable for people in our state.

Thank you.