



Consumers for Affordable Health Care

Advocating the right to quality, affordable,
health care for every person in Maine.

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**Testimony in Support of LD 686,
"An Act To Increase Prescription Drug Pricing Transparency."
Ann Woloson, Executive Director, Consumers for Affordable Health Care
April 13, 2021**

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 686, An Act To Increase Prescription Drug Pricing Transparency.

Consumers for Affordable Health Care (CAHC) is a nonpartisan, nonprofit organization with the mission of improving access to affordable, quality health care for all Maine people. Since 2010 CAHC has served as Maine's Health Insurance Consumer Assistance Program. CAHC fielded nearly 9000 calls from Mainers last year who reached out with questions about their health insurance options. We often hear from Mainers who struggle to afford the prescription drugs they need. In fact, our polling from last October revealed that three out of four Mainers remain concerned about not being able to afford the prescription drugs they need. Concern about the cost of prescription drugs is equally high among all demographic groups and both congressional districts.¹

Attached to this testimony you will find a Medical Trend Assumption chart provided to Maine's Bureau of Insurance by an insurance carrier as part of insurance rate filings last year. You will see that the prescription drug rate factor attributed to inflation in 10.6%, nearly double that of hospital, professional and other medical service types.

Also attached, you will find a page from the Maine Health Data Organization's most recent prescription drug annual report. The new data shows Mainers spent over \$165 million more on the 25 drugs with highest year-over-year increase in cost from July 2019 to June, 2020.²

Maine's prescription drug costs transparency law is important. It provides information that is critical to our understanding of an out-of-control cost driver that contributes to increased health insurance premiums. Drug companies consistently set high prices, which forces families to make impossible choices between their health care and other basic needs.ⁱ Drug costs do not only interfere with appropriate use of medications - more than one in four consumers decline other medical tests or procedures or put off a doctor's visit when they experience increased drug costs.ⁱⁱ

¹ Summary Report of Findings From the Critical Insights on Maine™ Survey, 10/2020, <https://www.mainecahc.org/wp-content/uploads/2021/02/Critical-Insights-on-Maine-Report-of-Findings-edited-pg-8-Fall-2020.pdf>

² Maine Health Data Organization, <https://mhdo.maine.gov/tableau/prescriptionReports.cshtml>

The polling I mentioned previously also shows that 85 percent of Mainers support policy that require drug companies to release information to the public on how they set their drug prices.³

We believe LD 686 is an important measure that will strengthen Maine’s prescription drug price transparency law and improve the Maine Health Data Organization’s ability to access the data policy makers and other stakeholders need to understand more about rising drug costs and where we should focus efforts to control such costs. Please support LD 686.

Thank you.

Medical Trend Assumptions

This development of the 2021 rates reflects an annual trend rate of 6.7% for Year 1 and 7.1% for Year 2. The Year 1 trend is consistent with the trend used in the 2020 pricing. The trend factor reflects CHO’s expectations regarding changes in projected in-network and out-of-network costs and utilization. The prescription drug trends reflect expected changes in utilization, the expiration of drug patents and introduction of new drugs. Table 1 illustrates the projected Year 2 trend by category. The factors only reflect trend applicable to the single risk pool; they have been normalized and/or adjusted when appropriate to account for other changes such as changes in age, benefit changes, seasonality patterns, and non-recurring events. The trend rates are exclusive of the provider contracting adjustments.

Table 1 Community Health Options Unit Cost and Utilization Trend Assumptions			
Service Type	Inflation	Utilization	Total
Hospital Inpatient	4.8%	1.1%	5.9%
Hospital Outpatient	6.6%	1.0%	7.6%
Professional	4.1%	1.6%	5.8%
Other Medical	5.2%	0.6%	5.8%
Prescription Drug	10.6%	1.0%	11.7%

³ Ibid, Summary Report of Findings, <https://www.maine cahc.org/wp-content/uploads/2021/02/Critical-Insights-on-Maine-Report-of-Findings-edited-pg-8-Fall-2020.pdf>

Top 25 Drugs with Highest Year-Over-Year Increases in the State (July 1, 2019 to June 30, 2020)

Brand or Generic		Payer Type						
Brand or Generic		Overall						
Rank	NDC	Drug Name	Drug Class(es)	Number of Prescriptions	Number of Prescription Users	Cost	Increase	Cost Per Prescription
Top 25 Overall				326,973	55,199	\$417,906,584	\$165,542,456	
1	00074055402	Humira Pen	Disease-modifying Antirheumatic..	11,069	1,755	\$75,014,465	\$49,798,997	\$6,777
2	00003089421	Eliquis	Antithrombotic Agents	70,566	16,058	\$55,740,266	\$16,582,604	\$790
3	57894006103	Stelara	Disease-modifying Antirheumatic..	1,951	485	\$44,996,332	\$14,778,703	\$23,063
4	00002143480	Trulicity	Antidiabetic Agents	17,391	3,504	\$21,537,424	\$6,755,594	\$1,238
5	61958250101	Biktarvy	Antivirals	3,651	488	\$13,007,574	\$6,704,983	\$3,563
6	00173088710	Trelegy Ellipta	Anticholinergic Agents; Sympath..	13,370	2,994	\$11,249,674	\$5,740,649	\$841
7	00024591401	Dupixent	Skin and Mucous Membrane Ag..	2,749	431	\$9,638,927	\$5,384,493	\$3,506
8	00074024302	Humira	Disease-modifying Antirheumatic..	1,050	192	\$7,735,897	\$5,232,429	\$7,368
9	59676060012	Erleada	Antineoplastic Agents	504	80	\$6,857,076	\$4,310,974	\$13,605
10	57962042028	Imbruvica	Not Available	1,226	147	\$18,108,780	\$4,222,559	\$14,771
11	00597015230	Jardiance	Antidiabetic Agents	8,815	2,818	\$7,780,699	\$3,927,529	\$883
12	00469012599	Xtandi	Antineoplastic Agents	995	168	\$12,648,291	\$3,836,124	\$12,712
13	00597014560	Ofev	Antifibrotic Agents	514	74	\$5,789,003	\$3,675,829	\$11,263
14	59572041521	Revlimid	Antineoplastic Agents; Immunom..	534	95	\$8,619,334	\$3,594,234	\$16,141
15	00078063941	Cosentyx Sensore..	Skin and Mucous Membrane Ag..	1,911	346	\$13,240,331	\$3,373,523	\$6,928
16	00002143380	Trulicity	Antidiabetic Agents	11,572	3,110	\$12,703,928	\$3,323,823	\$1,098
17	00069050130	Xeljanz Xr	Disease-modifying Antirheumatic..	1,723	293	\$9,333,744	\$3,163,567	\$5,417
18	12496120803	Suboxone	Analgesics and Antipyretics; Anti..	122,356	7,981	\$22,838,512	\$3,089,061	\$187
19	50458057990	Xarelto	Antithrombotic Agents	13,267	3,462	\$11,518,185	\$2,955,477	\$868
20	00003089321	Eliquis	Antithrombotic Agents	17,025	3,699	\$11,317,281	\$2,599,058	\$665
21	00074057622	Venclexta	Antineoplastic Agents	418	86	\$5,155,456	\$2,578,188	\$12,334
22	00002144511	Taltz	Skin and Mucous Membrane Ag..	697	124	\$5,077,203	\$2,534,047	\$7,284
23	00169413212	Ozempic	Antidiabetic Agents	2,965	880	\$3,845,107	\$2,481,051	\$1,297
24	00597015330	Jardiance	Antidiabetic Agents	6,648	1,851	\$6,533,821	\$2,452,292	\$983
25	00169633910	Novolog Flexpen	Antidiabetic Agents	14,006	4,078	\$17,619,271	\$2,446,668	\$1,258

Maine Health Data Organization 2020, All-Payer Claims Data

ⁱ How High Prescription Drug Costs Harm Families, SILC042419, Families USA, https://familiesusa.org/wp-content/uploads/2019/05/SILC_The-Problem-with-Rx-Drug-Pricing_Fact-Sheet_05172019.pdf

ⁱⁱ 2 L.L. Gill. (April 5, 2018). How to Pay Less for Your Meds. Retrieved January 29, 2019, from <https://www.consumerreports.org/drugprices/how-to-pay-less-for-your-meds/>