Your Generics & Biosimilars Industry

March 22, 2022

Representative Tina Liebling
Chairwoman, House Health Finance and Policy
477 Rev. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Regarding: HF 58
AAM Position: Oppose

Dear Representative Liebling,

On behalf of generic and biosimilar manufacturers, the Association for Accessible Medicines (AAM) writes to convey its opposition to House File 58 DE1 as proposed. AAM is the leading trade association for the developers and manufacturers of generic and biosimilar medicines. Its core mission is to improve the lives of patients by advancing timely access to high quality, affordable, and FDA-approved generic and biosimilar medicines. Generic and biosimilar drug manufacturers saved Minnesota $4.8 billion alone in 2020 but the additional mandated reporting requirements in this proposal would put unnecessary cost pressures on manufacturers, potentially harm patient access to low-cost medicines, and, for these reasons, AAM must oppose HF 58.

HF 58 would require all drug manufacturers that produce a drug with a wholesale acquisition cost (WAC) of $100 or over for a 30-day supply or single course of treatment to report extensive information to the state regardless to the amount of savings these medications may provide. This report will be in addition to the Minnesota Prescription Drug Price Transparency Act and would result in duplicative reporting of many of the same drugs. Moreover, none of the additional information obtained from HF 58 will result in lower prescription drug costs to Minnesota patients.

HF 58 would also require the state to publish information, including the WAC price as reported by the manufacturer. The WAC price may not reflect what a patient may pay at a pharmacy counter, may cause confusion, and potentially lead patients to forgo medically necessary prescriptions. Manufacturers typically sell a medication at a significantly reduced price from the listed WAC. At the same time, health plans and pharmacy benefit managers (PBMs) determine what a patient's share of cost —if any— will be at the pharmacy counter. Depending on the generic medicine, there may be a significant difference between the WAC price and the cost to the patient. Thus, this information will not aide a patient's health care decisions and could result in a prescription not being filled.

Article 2 of the bill would prevent health plans from eliminating coverage for a brand drug or moving it to a higher cost tier if a generic or "multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book" or an interchangeable biologic is made available on the formulary at a lower cost. This provision could delay patient access to lower-cost biosimilar medicines once approved by FDA and on the

market. Biosimilar drugs are safe and effective and have been used in over 121 million days of patient therapy. On average a biosimilar is 45% less than the cost of the reference product. This provision ignores the significant savings available from the use of biosimilar medicines by limiting what medications a health plan may cover—not what drugs may be substituted at the pharmacy counter. Patients will pay significantly more and be denied access to life-saving medications through this prohibition to adding biosimilars on formularies mid-year.

For these reasons, AAM opposes HF 58. If you have any questions or concerns regarding this opposition, please feel free to contact me at brett.michelin@accessiblemeds.org.

Sincerely,

Brett Michelin
Senior Director, State Government Affairs
Association for Accessible Medicines