



February 10, 2023

Representative Zack Stephenson
Chair, House Commerce Finance & Policy
449 State Office Building
100 Rev. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Regarding: HF 294
AAM Position: Oppose

Dear Representative Stephenson,

On behalf of generic and biosimilar manufacturers, the Association for Accessible Medicines (AAM) writes to convey its opposition to House File 294. 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 \$5.3 billion in 2021 and lower-cost biosimilar drugs have increased patient access to care by more than 150 million days of therapy. The mandated reporting requirements and state posting of misleading information in this proposal are unnecessary and potentially could harm patient access to low-cost medicines. For these reasons, AAM must oppose HF 294.

HF 294 would require all drug manufacturers that produce a drug with a wholesale acquisition cost (WAC) of \$100 or more for a 30-day supply or for a single course of treatment to report extensive information to the state regardless of 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. Moreover, none of the information obtained from HF 294 will result in lower prescription drug costs for Minnesota patients.

The state is also required to publish information obtained from the manufacturer, including the WAC price. The WAC price does 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. There may be a significant difference between a generic medicine's WAC price and the cost to the patient. Thus, this information will not aid 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 364 million days of patient therapy. On average a biosimilar is priced 50% 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 294. If you have any questions or concerns regarding this opposition, please feel free to contact me at brett.michelin@accessiblemeds.org.

Sincerely,

A handwritten signature in cursive script that reads "Brett Michelin".

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