Health and Finance and Policy Committee
HF 1516
March 10, 2021

Thank you, Chair Liebling and committee members for this opportunity to weigh in on this important issue to health care in Minnesota. My name is David Sperl, I'm a pharmacist at Essentia Health, and I am here with my colleagues Molly Skifstad and Roseann Hines. Today we are asking for your support of House File 1516, a bill which allows providers to prescribe biosimilar products in a manner that focuses on patient safety and helps drive down the costs of prescription medication.

Essentia Health is an integrated health system serving patients in Minnesota, Wisconsin, and North Dakota. Headquartered in Duluth, Minnesota, we have 13,300 employees who serve patients and communities through our 14 hospitals, 71 clinics, and 6 long term care facilities. Essentia Health is an accredited accountable care organization ("ACO") by the National Committee for Quality Assurance and is focused on the triple aim of better health, improving patient experience, and lowering costs.

As the Committee considers this legislation, I would like you to imagine you are a patient who has debilitating joint pain or a new diagnosis of cancer. Your doctor, who you know and trust, discusses the various treatment options with you, and prescribes you the medication that is not only the best-suited to treat your condition, but it is also the most affordable option. Understandably, you would want to start this medication as soon as possible.

After getting your prescription, you now find out that because your medication is a biosimilar medication that your insurance company does not cover, your treatment is delayed, and your doctor is forced to prescribe you a different biologic that is covered by your insurance company. Although this new medication is clinically the same as your original prescription, it is far more expensive and requires you to pay more out-of-pocket costs.

Finally, imagine that once you get the medication that is covered by your insurance, you find out that in changing your medication, your doctor prescribed the wrong dose of the medication due to the confusion caused by the complexity of switching medications as required by your insurance.

This is the reality we see and have to navigate every day with a class of medications called biological medications and their related biosimilars. Biosimilar medications are a newer class of medications that have no difference in safety, purity, or effectiveness when compared to their brand biologic medication counterparts. These new biosimilar medications offer significant opportunity to drive down health care costs, much like generic medications have done for years.

Despite all this promise, as demonstrated in the patient scenario presented today and discussed by the Institute of Safe Medication Practices (ISMP), there are various safety concerns regarding the current payer-driven system for prescribing and dispensing biosimilar medications. For example, in order to satisfy the different payer requirements, a health care provider must ensure it devotes significant resources to maintaining a complex inventory of multiple versions of many different

drugs. Due to the volume of different medications, there are increased risks of a physician prescribing the incorrect medication or the pharmacy dispensing the incorrect medication. By requiring insurance coverage parity of all biosimilar medication, this bill will allow doctors and patients to choose the medication that is safest and that brings the optimal value for the patient.

In addition to the safety implications, biological medications are the most significant driver of prescription drug spending in the United States and have been cited to account for almost 40 percent of total prescription drug spending. Yet, the current system set up by medical and pharmacy benefit managers and pharmaceutical industry brand manufacturers has limited the ability for patients to benefit from these new medications due to rebate traps and other anti-competitive tactics. While some might cite these rebates as lowering costs in the short term, it is well-documented how these tactics increase the overall cost of care, including out-of-pocket costs for patients.

This year, however, is slated to be another year of exponential growth in biosimilar medications, which is why we believe it is important today to continue efforts to facilitate the use of biosimilar medications in a manner that focuses on patient safety and lowering health care costs.

For these reasons, Essentia Health looks forward to working with this committee and other stakeholders to ensure House File 1516 addresses the safety concerns discussed today and allows providers to prescribe the most safe and affordable medications for patients.

Thank you for your time.

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