



February 27, 2020

Dear Representative Freiberg,

Health insurance is an increasingly important benefit, allowing employers to attract and retain talent in the marketplace and ensuring Minnesotans and their families remain healthy. And yet rising health care costs are a major concern for all Minnesotans.

We share the goal of Rep. Morrison and other members of the Committee and the Legislature to lower health care costs by curbing the cost of prescription drugs. However, we do not agree with the approach taken in HF 3228. In particular, we are concerned with the fact that the bill would allow the newly established Prescription Drug Affordability Commission to unilaterally set the price for certain prescription drugs for all non-exempt public and private purchasers in the state.

The state government has long held an important role in regulating various aspects of the health care market. Just last year, the Legislature passed, and the Governor signed legislation to increase the state's oversight of Pharmacy Benefit Managers and the role they play in the prescription drug supply chain. Similarly, the House and Senate are currently working on legislation to increase transparency around how pharmaceutical manufacturers price their drugs in the marketplace. But HF 3228 would go beyond even these new state actions.

In handing an unelected, independent commission the authority to set prices for privately produced products that are sold in a competitive, private market, the state of Minnesota would be setting a very concerning precedent for government intervention that would very likely trigger any number of unintended consequences.

While Rep. Morrison's work to make prescription drugs more affordable to the Minnesotans who need them is commendable, we have significant concerns about the specific approach encompassed in this bill. We look forward to continuing to work with her, you, and the rest of the members of this Committee and the Legislature to find ways to address the concerns associated with prescription drug costs. But we must do so without setting dangerous precedents for state intervention in the marketplace and inviting harmful, unintended consequences.

Sincerely,

Bentley Graves
Director, Health Care & Transportation Policy
Minnesota Chamber of Commerce

Bobby Patrick, VI
Vice President, Strategic Growth & Policy
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