March 1, 2023

The Honorable Tina Liebling, Chair, House Health Finance and Policy Committee
Minnesota House Health Finance and Policy Committee Members
Minnesota House of Representatives
477 State Office Building
St. Paul, MN 55155

Re: **HF 348 – Cost-sharing limited for prescription drugs and related medical supplies to treat a chronic disease**

PCMA Testimony – Oppose

Dear Chair Liebling and Members of the Health Finance and Policy Committee:

My name is Michelle Mack and I represent the Pharmaceutical Care Management Association, commonly referred to as PCMA. PCMA is the national trade association for pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 275 million Americans with health coverage provided by large and small employers, health insurers, labor unions, and federal and state-sponsored health programs.

PCMA appreciates the opportunity to provide written testimony on HF 348. However, we respectfully are opposed given our industry has significant concerns about the bill. PBMs exist to make drug coverage more affordable by aggregating the buying power of millions of enrollees through their plan sponsor/payer clients. PBMs help consumers obtain lower prices for prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and using lower-cost dispensing channels. Though employers, health plans, and public programs are not required to use PBMs, most choose to because PBMs help lower the costs of prescription drug coverage.

HF 348, limits a covered person's out-of-pocket copayment cost for prescription drugs and related medical supplies to treat a chronic disease, to no more than $25 for a one-month supply. Brand manufacturers are deflecting blame for skyrocketing drug costs by falsely claiming that high costs are a "coverage" problem that requires copay caps. By capping patient and out-of-pocket expenses, doctors and patients will inevitably choose more expensive brand drugs over equally effective lower-cost generics. This will add to the growing problem of price increases.
Significant changes in benefit design like this can affect the overall cost of a health plan, which in turn affects consumers' premiums. Capping copays shifts costs from patients to health plans and does nothing to lower the high and rising price of drugs. This requires the plans to increase premiums to compensate for higher costs. Eventually, all members bear these higher costs through higher premium rates.

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If drug companies are concerned about patients accessing medications, they should simply lower their prices, yet drug makers have determined that it is more profitable to cap copays rather than just making their medications more affordable.

In the interest of Minnesota patients and payers, it is for these problematic provisions noted above that we must respectfully oppose HF 348.

Thank you for your time and consideration. Please feel free to contact me should you have any questions.

Sincerely,

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