

January 16, 2023

SENATE HUMAN SERVICES COMMITTEE SB 2031
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CHAIRMAN LEE AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing on behalf of America's Health Insurance Plans or, as it is commonly known, AHIP.

Who doesn't want more affordable prescription drugs? Everyone should be able to get the medications they need at a cost they can afford. AHIP strongly shares your concerns that drug prices are excessive, unreasonable, and out-of-control.

However, AHIP has strong concerns with Senate Bill 2031 because it provides no incentives or mandates for pharmaceutical companies to offer their drug at the reference price.

The problem with prescription drugs, as you well know, is the price, which drug manufacturers alone set, and control. They are the only ones that can reduce prices so that Americans are not forced to choose between paying their bills and accessing life-saving medicines.

SB 2031 prohibits health insurance providers from purchasing prescription drugs above the referenced priced. If a manufacturer refuses to lower the price, and the law prohibits a health plan from purchasing the drug, then North Dakotans would lose access to the drug.

AHIP has been engaged at the federal and state levels on a number of policies that can lower prescription drug costs and on policies that can reduce costs in the health care system, including supporting transparency across the supply chain. These include:

- Advance notification drug cost increases & launch prices;
- Ensure drug representatives include prices when marketing to physicians; and
- Increase scrutiny of existing patient assistance programs & there impact on drug spending.

We are committed to lowering the cost of prescription drugs for North Dakotans. However, SB 2031 is not the right solution because, without holding pharmaceutical companies accountable, this bill will jeopardize patient's access to drugs.

Additionally, during the interim committee meetings, the Commissioner's Office indicated it didn't have the personnel or expertise to take on such a project.

Therefore, AHIP respectfully requests a DO NOT PASS on this bill. Thank you for your time and consideration. I'd be glad to answer any questions I can.