

Chairman Larsen and Members of the Senate Industry, Business and Labor Committee –

Good Morning, my name is Dylan Wheeler, Head of Government Affairs for Sanford Health. Sanford Health respectfully opposes SB2031, which would establish a Prescription Drug Referenced Rate Pilot Program to many different health insurance markets in North Dakota. Sanford Health applauds the effort from Representative Meier in seeking to address the rising problem of high cost prescription drugs. Additionally, Sanford Health generally supports efforts that address the root cause of rising prescription costs for our patients and members. However, we have concerns about SB2031 and the feasibility in operationalizing and implementing the proposal.

As Deloitte notes in their actuarial memo (presented to the Employee Benefits Committee), compliance with the proposal would likely present significant barriers with the listed stakeholders in the legislation. Sanford Health also has concerns with the impact the legislation will have on the availability of medications to our members and patients. While the legislation does call for penalties to manufacturers who withdraw from the market (which also may have legal implications), we have concerns about the adverse actions or impact the new pricing will have on availability for critical medications. Finally, attaching prescription drug prices to another nation or benchmark raises additional questions about whether that particular nation is proper to analyze against in terms of a comparable market, but also whether another nation would have to comply or supply the information laid out in SB2130.

I thank you for your diligent consideration and please do not hesitate to contact me directly should there be any questions.

Respectfully Submitted,

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Head of Government Affairs
Sanford Health Plan