

Chair Lee and Members of the Senate Human Services Committee -

Good Morning, my name is Dylan Wheeler - Head of Government Affairs for Sanford Health Plan - here today in opposition to HB1216. As we have consistently expressed this session, Sanford Health Plan supports access to prescription drugs and are aligned with the intent of reducing prescription drug prices for our patients and members. However, HB1216 is not the answer; rather, HB1216 is a veiled attempt by the pharmaceutical industry to drive utilization on brand name products, hold prices high, and inequitably target well-insured members - as opposed to offering similar assistance to those without insurance.

One thing needs to remain clear through the public testimony and legislative work on this bill - the passage or failure of this bill does not affect the availability and usage of prescription drugs coupons. To be clear, I am not speaking on behalf of any pharmaceutical manufacturer who may remove a coupon from the market; rather, the policy of this bill does not change that market availability.

We consistently talk about the rising prices of prescription drugs here at the Capital and debate levers that the state, as policymakers, can pull to drive down costs. HB1216 sets a different precedent in that pharmaceutical manufacturers, if HB1216 becomes law, can continue to escalate prices in the market and then also issue a coupon on that same medication - shifting that cost to individuals, businesses, and families. Either way - health plans, and by extension premium payers in the same risk pool, would bear the increased cost caused by the coupon.

Sanford Health Plan does not currently use coupon accumulator programming - so why would we oppose such a measure? We hear from our employer groups and members about concerns about the rising costs of health care and health insurance. One available lever to health plans that could drive down premium costs or at a minimum hold downward pressure on prescription drug pricing would be to look at coupon accumulators. HB1216 takes that cost saving tool off the market and leaves health plans limited tools to influence premiums. We should maintain health plan flexibility and adapt to the market so that we can respond and use the tools available.

Finally - and as I shared during the 2023 legislative session - public policy that awards those who set a high price (here, pharmaceutical manufacturers) to begin with, and require others pick up that increase (here, through coupons) - should be viewed skeptically.

I appreciate the time and consideration - happy to answer any questions.

Dylan C. Wheeler JD, MPA
Sanford Health Plan