

Wednesday, January 6, 2021

House Human Services Committee HB 1032

CHAIRMAN WEISZ 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.

As we stated in the interim committee process, AHIP sees this bill as a first step to provide much needed transparency in this market. AHIP supports this bill with the amendments we are suggesting below.

We are supportive of efforts to shed light on the "black box" that drug manufacturers are permitted to operate in with respect to their pricing. There continues to be a need for more transparency regarding drug pricing and HB 1032 includes several positive elements – including:

- Limiting the disclosure of proprietary or trade secret data and limits the publication of data that is non-public, or that is unrelated to the price of the prescription drug;
- Placing pharmaceutical manufacturers on similar footing as other sectors of the health care industry regarding financial disclosures; and
- Providing notification of excessive significant drug price increases by pharmaceutical manufacturers.

However, there are elements of the bill that could be improved. We ask that the bill mandate submission of health insurer information to the Insurance Department (Department) rather than the Board of Pharmacy. Carriers are accustomed to submitting data to the Department, and it has mechanisms in place to receive carrier information. It is also critical that competitive and proprietary information be protected. The Board of Pharmacy is comprised of engaged and active market participants whose access to sensitive market data could result in a conflict of interest.

Thank you for your time and consideration. I'd be happy to answer any questions.

PROPOSED AMENDMENTS TO HB 1032

Page 5, line 8, delete “board” and insert in lieu thereof “commissioner”

Page 5, delete lines 20 – 25

Page 5, line 30, delete “the board reports” and insert in lieu
thereof “submitted”

Renumber accordingly