

Wednesday, January 19, 2021

Senate Human Services Committee SB 2183
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SENATOR 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. AHIP opposes this bill.

For many diabetes patients, the rising cost of insulin products has created an affordability crisis that threatens their health and well-being. Out-of-control prices for insulin products – and other prescription drugs – are a direct consequence of drug makers taking advantage of a broken market for their own financial gain at the expense of patients.

The lack of competition, transparency, and accountability in the prescription drug market has created extended, price-dictating monopolies with economic power that exists nowhere else in the U.S. economy. The result is that everyone pays more – from patients, businesses and taxpayers to hospitals, doctors, and pharmacists.

Capping the cost of insulin allows drug manufacturers to hide the real prices of their drugs from consumers while raising costs for everyone.

Our members support market-based solutions that hold drug makers accountable for high list prices and put downward pressure on prescription drug prices through competition, consumer choice, and open and honest drug pricing. Placing arbitrary caps on consumer cost sharing is not the right way to achieve lower costs. In fact, this bill may actually exacerbate cost issues because a blanket cost for all insulin products reduces health plans' and insurers' ability to negotiate with drug manufacturers to develop innovative benefit designs to lower out of pocket costs for insulin.

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