

Bill package addressing Maine's high prescription drug costs

- ❖ Prices for prescription drugs are increasing **10 times faster** than the rate of inflation.¹
- ❖ **3 out of 4** Mainers are concerned about prescription drug costs.²
- ❖ **2 out of 3** Mainers are concerned they won't be able to afford the prescription drugs they need.³

This package addresses rising costs by increasing affordability, accessibility and accountability.

✓ **LD 1499, An Act To Establish the Maine Prescription Drug Affordability Board**

LD 1499 establishes a Prescription Drug Affordability Board that would develop spending targets for prescription drugs purchased by certain public payors. With input from an advisory council made up of representatives of public entities, the Board would use prescription drug spending data to develop:

- **annual spending targets for a public payor's total prescription drug spending** (based on a ten-year rolling average of the medical component of the consumer price index, adjusted for inflation, and then reduced by a target amount determined by the board for pharmacy savings);
- **spending targets for specific prescription drugs** that may cause affordability challenges to enrollees in a public payor health plan; and
- **recommendations for strategies to help public payors meet spending targets and reduce prescription drug costs for individuals enrolled in the plan.** Strategies could include:
 - creating a common prescription drug formulary for all public payors,
 - collaborating with other states to purchase prescription drugs in bulk or jointly negotiate rebates,
 - allowing small businesses to use a public payor prescription drug benefit for a fee, and
 - other methods determined by the board.

The board would consider information received about a public entity's prescription drug spending and available data collected by the Maine Health Data Organization. The board would be required to report spending targets and recommendations for how to meet those targets to the Legislature annually.

✓ **LD 1504, An Act To Protect Consumers from Unfair Practices Related to Pharmacy Benefits Management**

LD 1504 requires that compensation paid by, or on behalf of a pharmaceutical manufacturer, developer or labeler, directly or indirectly to a carrier (insurer) or to a pharmacy benefits manager related to its prescription drug benefit must be paid directly to the covered person at the point of sale or to the carrier. It further requires the carrier to apply the compensation to offset premiums for covered persons.

¹ https://www.upi.com/Health_News/2018/03/27/Drug-prices-rising-10-times-faster-than-inflation/6021522152206/

² http://www.maine cahc.org/wp-content/uploads/2019/02/CriticalInsights_MaineSurvey_181115.pdf

³ http://www.maine cahc.org/wp-content/uploads/2019/02/CriticalInsights_MaineSurvey_181115.pdf

✓ **LD 1162, An Act To Further Expand Drug Price Transparency**

LD 1162 builds off of legislation passed last legislative session requiring the Maine Health Data Organization (MHDO) [to post a list](#) of the 25 most prescribed and expensive drugs and drugs with highest cost increase in Maine. LD 1162 requires prescription drug manufacturers to report annually to the Maine Health Data Organization increases in the cost of a

- brand-name drug by more than 20% per pricing unit, and
- generic drug that costs at least \$10 per pricing unit and increases in price by more than 20 % per pricing unit.

Manufacturers also need to report new drugs distributed in Maine that are considered a specialty drug under the Medicare Part D program, due to the significant cost.

It requires drug manufacturers, drug distributors and pharmacy benefits managers to provide pricing component data within 60 days of a request by the MHDO. This information must explain the cost of making the prescription drug available to consumers, including payments received, (taking into account any price concessions), as determined by rules adopted by MHDO.

Information reported is confidential and may only be shared in the aggregate.

Beginning 11/1/20, the Maine Health Data Organization is required to produce and post on its publicly-accessible website an annual report on trends in the cost of prescription drugs, including:

- an analysis of manufacturer prices and price increases,
- the major components of prescription drug pricing along the supply chain,
- the impacts on insurance premiums and cost-sharing, and
- other information the organization determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in Maine.

✓ **LD 1272, An Act To Increase Access to Low-cost Prescription Drugs (Wholesale Importation from Canada)**

LD 1272 establishes a wholesale importation program for certain prescription drugs from Canada by or on behalf of the State in order to provide cost savings to consumers. It requires that:

- the Department of Health and Human Services design the program through rulemaking by January 1, 2020 and apply for federal approval by May 1, 2020;
- the program would not be implemented until it receives federal approval and certification;
- the program must comply with the US Federal Law transaction and tracing requirements; and
- only prescription drugs that would produce significant cost savings **and** meet the federal Food and Drug Administration's safety, effectiveness and other standards could be imported;