

Mainers Want to Know Why Drug Prices Are Increasing



LD 1162, An Act To Further Expand Drug Price Transparency, would shed more light on prescription drug pricing.

LD 1162 would require Maine Health Data Organization to develop a plan to collect data from drug makers to help explain how prescription drug prices are set. Data collected would include but not be limited to:

- production, research, and development costs,
- marketing and advertising costs, and,
- actual costs paid by purchasers.

Drug makers would be required to provide notice and information about price increases of more than 16% for prescription drugs that previously cost more than \$40 for a course of treatment.

Why is drug pricing information important?

- Rx drug prices are rising at 10 times the rate of inflation, faster than any industry.¹
- 3/4 of Mainers are concerned about prescription drug costs.²
- 2/3 of Mainers are concerned they won't be able to afford the prescription drugs they need.³

Mainers need answers. Data compiled by the Maine Health Data Organization⁴ to date show:

- Some of the highest cost increases are for life-saving drugs or drugs that treat chronic disease, including diabetes and asthma.
- Humira Pen, a brand-name drug used to treat arthritis pain, is one of the most prescribed and expensive drugs in Maine. It also had one of the highest cost increases. Commercial and Medicare Advantage plans spent more money on Humira Pen than any other drug between July 1, 2017 and June 20, 2018: Over \$74 Million.

How fast are drug prices rising?

A recent report by *Health Affairs* (1/7/19) found oral medications are going up nearly 10% a year and injectable medications by 15%. The price of insulin, a life-saving diabetic treatment, doubled in just five years, for example.⁵

Aren't increases in drug prices driven by innovation and research?

No. An analysis of price increases found prices for drugs that have been on the market for years have skyrocketed. Those price increases were driven by the desire for additional profit, not research.⁶

LD 1162 will provide information about why drug makers are increasing the price of life-saving drugs. It will help policy makers and purchasers take steps to address high drug costs.

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

² Summary Report of Findings from the Critical Insights on Maine™ Survey for the Consumers for Affordable Healthcare; October 2018
http://www.maine cahc.org/wp-content/uploads/2019/02/CriticalInsights_MaineSurvey_181115.pdf

³ Ibid

⁴ <https://mhdo.maine.gov/tableau/prescriptionReports.cshhtml>

⁵ <https://www.npr.org/sections/health-shots/2019/01/07/682986630/prescription-drug-costs-driven-by-manufacturer-price-hikes-not-innovation>

⁶ Ibid

