

Why should Mainers have to pay more than our neighbors for the medicine we need?

Drug manufacturers charge Americans significantly more for the same prescription drugs they sell in other countries at lower prices. **In fact, prescription drug prices in the United States are 218% higher than in Canada.**¹ However, retail prices in the US for some of the most widely used brand name prescription drugs continue to increase twice as much as inflation.²

- » More than half of Mainers (55%) are worried about affording prescription drug costs.³
- » **Nearly one out of three adults in Maine skipped a dose of medicine, cut pills in half, or didn't fill a prescription because of the cost in the last year.**⁴
- » Over \$165.5 million **more** was spent from 7/1/19 through 6/30/20 in Maine on 25 drugs with the highest increases in cost from the previous year.⁵
- » **Nine out of ten Mainers believe the government should prohibit drug companies from charging more for prescription drugs in the U.S. than in other countries.**⁶

LD 1636, An Act To Reduce Prescription Drug Costs by Using International Pricing

LD 1636 establishes international reference rates for the 250 most costly drugs, so Mainers don't pay more for prescriptions than what companies charge for the same drugs in Canada. The bill:

- **Requires the Superintendent of Insurance to work with the Maine Board of Pharmacy and the State employee health plan to generate a list of the 250 costliest drugs.**
- **Prohibits state entities, health plans, and participating ERISA plans from buying at a cost higher than the reference rate** any of the 250 costliest drugs that would be dispensed or delivered to someone in Maine.
- **Prohibits pharmacies licensed in Maine from paying more than the reference rate** for any of the 250 costliest drugs sold or distributed to someone covered by a state entity, health plan, or participating ERISA plan. Pharmacies could still charge reasonable dispensing fees.
- **Requires participating plans to pass savings onto their members through lower costs.** Each year, plans will submit a report to the Superintendent of Insurance describing the savings realized for each Referenced Drug and how savings were used to reduce costs for members.
- **Creates safeguards to help ensure Mainers continue to have access to the prescription drugs they need.** Manufacturers would be prohibited from withdrawing a drug for sale in Maine without providing 180 days prior written notice to the Superintendent of Insurance and Attorney General. Manufacturers and distributors would also be subject to a penalty assessed by the Superintendent if they fail to negotiate in good faith with payors on a rate that is within the determined reference rate for a prescription drug, or if they withdraw a drug for sale in Maine in attempt to avoid the impact of health plans using reference rates.

¹ https://www.rand.org/pubs/research_reports/RR2956.html

² <https://www.aarp.org/politics-society/advocacy/info-2021/prescription-price-increase-report.html>

³ https://www.healthcarevaluehub.org/application/files/3916/4159/0830/Hub-Altarum_Data_Brief_No._113_-_Maine_High_Drug_Prices.pdf

⁴ [Ibid.](#)

⁵ <https://mhdo.maine.gov/tableau/prescriptionReports.cshtml>

⁶ https://www.healthcarevaluehub.org/application/files/3916/4159/0830/Hub-Altarum_Data_Brief_No._113_-_Maine_High_Drug_Prices.pdf

LD 1638 does not propose to regulate what a manufacturer may charge for a prescription drug. It would instead set the maximum rate a payer is willing to pay for a prescription drug, based on what certain providences pay for the same drug in Canada.

Mainers need relief from high drug costs. LD 1638 will help make prescription drugs more affordable in Maine.

How do prices differ between the US and Canada?

Below are examples of average prices in the United States compared to Quebec, Canada. The prices listed are the average prices **per unit**, or the average price of **one** pill, tablet, etc.

Drug	US Price (NADAC*)	Quebec	How much more US consumers pay vs. Quebec
Xeljanz [5 mg] <i>rheumatoid arthritis</i>	\$76.07	\$16.96	448.53%
Eliquis [2.5 mg] <i>anticoagulant</i>	\$7.53	\$1.17	643.59%
Eplcusa [400/100 mg] <i>hepatitis C</i>	\$869.05	\$521.43	166.67%
Zytiga [250 mg] <i>cancer</i>	\$87.63	\$20.68	423.74%

* Prices, effective as of June 2020, represent unit cost (i.e., per tablet, pill, etc.) in US dollars, converted at an exchange rate of \$1 CAN = 73 cents USD.

Source: <https://www.nashp.org/qa-a-model-act-to-reduce-prescription-drug-costs-using-international-pricing/>