

Drug Transparency Coalition letter for the HHS Finance Omnibus Bill Conferees

April 29, 2019

Dear Rep. Liebbling, Senator Benson, and House and Senate conferees:

On behalf of the organizations undersigned below, including business, labor, hospitals, insurers, disease advocacy organizations, and many other stakeholders, we wish to applaud both the House and Senate for including the bipartisan drug price transparency bill, SF1098 (Rosen)/HF1246 (Morrison), in your Health & Human Services Omnibus bills. This bill is modeled after similar legislation that has already been signed into law in several other states.

There are some differences between the House and Senate versions of the bill. We believe that the House version of the bill more closely matches legislation that has been passed in other states and believe Minnesotans would be better served by the House version of the bill. We would be happy to work with you as strive to put together a compromise that addresses the concerns outlined below.

Minnesotans pay too much for prescription drugs. In fact, we now spend more on drugs than we do for inpatient hospital care. Seven out of ten doctor appointments end with a prescription, costing Americans \$460 billion per year and the U.S. is responsible for 42% of drug company revenue worldwide. Your constituents pay prices for prescription drugs that are up to six times higher than the rest of the world.

According to a report from the U.S. Government Accountability Office, the amount of money people spend on prescription drugs has nearly doubled since the 1990s. During the time period of the report (2006-2015), about 67% of all drug companies saw an increase in their annual average profit margins. In fact, there are numerous reports that pharmaceutical company profits are coming from price increases and not innovation. Higher drug prices mean higher health insurance premiums for everyone.

You have all heard harrowing stories at the legislature and in the media of many individuals who have suffered terrible consequences because they cannot afford their prescription drugs. It is high time to bring some transparency to the process of price-setting for these drugs so that policymakers and other stakeholders can understand why these prices are so much higher than in other countries. We believe more information will lead to better understanding of drug prices and that can help inform public policy. All Minnesotans deserve to be better informed about drug prices and why health care is so expensive.

Once again, thank you for your leadership in including this important, bipartisan provision in the Health & Human Services omnibus bill, and thank you to all 37 of our authors for helping advance the original bill to this point. Lowering drug prices is a priority for all Minnesotans.

Please do not hesitate to reach out to any of the organizations below with any questions.

Sincerely,

AARP

Allina Hospitals and Clinics

Patients 4 Affordable Drugs

The ALS Association, MN/ND/SD Chapter

ClearWay MinnesotaSM

National Multiple Sclerosis Society – Minnesota Chapter

Association of Minnesota Counties

League of Minnesota Cities

Joint Religious Legislative Coalition

Minnesota AFL-CIO

Minnesota Association of Health Underwriters

Minnesota Association of County Health Plans

Minnesota Medical Association

Minnesota Nurses Association

Minnesota Association of Community Health Centers

Laborers' International Union of Minnesota & North Dakota (LiUNA)

SEIU Healthcare Minnesota

Communication Workers of America MN State Council

Minnesota Farmers Union

Education Minnesota

Minnesota Business Partnership

Minnesota Council of Health Plans

Blue Cross and Blue Shield/Blue Plus of Minnesota

HealthPartners

Hennepin Health

Medica

PreferredOne

Sanford Health Plan of Minnesota

UCare

America's Health Insurance Plans - AHIP