



VOTE “NO” ON SB272

Interferes with Consumer Transparency Innovation, Hands Drug Manufacturers License to Gouge Consumers

Already rejected by House High-Cost Drug Workgroup:

The House Health Committee’s workgroup on prescription drug costs heard extensive testimony on this and similar proposals during its public meetings during the interim. This was not included in the comprehensive proposal that became HB2387, currently pending.

SB272’s requirements are impractical:

- The bill requires insurers to provide ranges of “typical” costs paid by a plan enrollee for each of the hundreds of drugs on its formulary. There is no such thing as a “typical” out-of-pocket for a drug, because it depends on the person’s plan benefits and whether a person already has met cost-sharing or deductible thresholds, and the constantly changing total cost of the drug.
- Insurers, through a variety of means, provide their members with cost estimates for many services, including prescription drugs. Many are deploying web-based tools, and all have customer service staff who are available toll-free to help consumers understand their benefits and personalized likely costs.
- Numerous reputable, public and free websites are available that provide pharmacy level prices of prescription drugs, such as GoodRx.org.

Prohibition on mid-year formulary changes give drug companies a license to gouge consumers and poses serious risks to patient safety:

- Insurers do not make mid-year changes lightly, but as significant medical evidence emerges and prices change we sometimes must make changes for the benefit of our members. Drug manufacturers routinely impose price increases throughout the year. This bill would give them free reign to raise prices as soon as formularies are posted.
- When emerging information indicates serious safety problems with a drug, insurance plan members should not have to wait for the FDA to take action.

Empowering DCBS to detail website specifications would interfere with rapid innovation in consumer transparency tools.

- Transparency tools are rapidly evolving and improving, and health plans are deploying them for consumer and prescriber use. Legislation and regulation, with specifications based on politics rather than market testing, will slow development of the tools most feared by drug manufacturers – those that help consumers make informed decisions based on medical evidence, safety and cost.