



April 11, 2019

Statement from Lora Pellegrini, President of the MA Association of Health Plans on The Joint Committee on Health Care Financing Prescription Drug Transparency Hearing and House Bill 1162, *An Act to promote transparency in prescription drug prices*

Making sure that employers and consumers have access to high-quality, affordable health care is a priority for MAHP and our member health plans. Today's Joint Committee on Health Care Financing hearing on pharmaceutical access, cost, and transparency is a vital step towards holding pharmaceutical companies accountable for the high cost of prescription drugs by enacting legislation to increase transparency into how drug prices are developed.

Year after year, the price of prescription drugs increases health care costs for employers and consumers. In its *2018 Annual Cost Trends Report*, the Health Policy Commission (HPC) identified prescription drug spending as one of the two biggest drivers of total health care spending in the state, growing at a rate of more than 4 percent in 2017, well above the Health Care Cost Growth Benchmark. Prescription drug spending was identified as a key cost driver in the Commonwealth for 2014, 2015, and 2016 as well. National projections estimate that prescription drug spending will increase by 6.1% between 2020 and 2027 and grow to account for more than 10% of the nation's health care expenditures.

In order to stem the unsustainable growth in prescription drug spending, MAHP and our member plans support House Bill 1162, *An Act to promote transparency in prescription drug prices*, legislation sponsored by Representative Kate Hogan that increases transparency and accountability for pharmaceutical manufacturers – the very same transparency and accountability standards that are required for health plans and providers in the Commonwealth.

It is imperative that pharmaceutical manufacturers are required to fully participate in the HPC's Cost Trends Hearings, provide testimony on the factors contributing to price increases, and disclose the research, development, marketing, and manufacturing costs attributable to prescription drugs.

By shining a bright light on prescription drug pricing and holding pharmaceutical companies accountable for the high cost of prescription drugs, the State is prioritizing access and affordability for consumers and employers in the Commonwealth.

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