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Statement by Lora Pellegrini, President and CEO of the Massachusetts Association of Health Plans, on Senate Bill 2651, *An Act relative to Pharmaceutical Access, Cost and Transparency February 10, 2022*

The Massachusetts Association of Health Plans and our member plans are strong supporters of legislation to rein in excessive prescription drug prices and hold drugmakers to the same transparency and accountability standards currently required for health plans and providers in the Commonwealth. Prescription drug prices continue to skyrocket, outpacing growth in all other areas of health care spending, threatening the state's health care cost growth benchmark, and raising health insurance premiums for employers and consumers. In January of 2022 alone, drugmakers raised prices on nearly 1,000 everyday prescriptions by an average of 6.6%; it is time to hold them accountable.

The PACT Act includes important provisions that require prescription drug manufacturers to keep costs in line with the state's cost growth benchmark, expanding participation at the Health Policy Commission's annual Cost Trends Hearings, and granting the Health Policy Commission greater oversight authority over high-cost drugs. These are vital steps to understanding the true costs of prescription drugs and holding manufacturers accountable for excessive price increases.

However, this session's PACT Act includes provisions that run counter to the goals of cost containment and improved quality. We are deeply concerned about provisions recently added that would remove health plans' ability to negotiate the lowest prices for their members and ensure access to safe, high-quality prescription drugs through specialty pharmacies and mail-order delivery. Health plans contract with specialty pharmacies to ensure safe and efficient delivery of medications that require special handling or storage requirements and to improve clinical outcomes for patients with complex, chronic, or rare conditions. Specialty pharmacies also have the scale to negotiate lower prices with the manufacturers of these specialty drugs. Allowing small retail pharmacies to act as specialty pharmacies and requiring health plans to include them in existing networks could threaten patient safety and lead to loss of savings from specialty pharmacies where volume is provided in exchange for lower price.

Likewise, we have serious concerns that the any willing mail order provisions in the bill will require Massachusetts consumers to pay more for their existing prescriptions from their mail order pharmacy without any improvements in quality since the bill requires health plans to equalize cost-sharing between mail-order pharmacies and community retail pharmacies. These provisions will have significant impacts on the Massachusetts health care market, increasing health care costs and jeopardizing access to quality affordable prescriptions.

It is time to shine a bright light on prescription drug pricing practices and hold drug companies accountable for the high prices they set. We will continue to work with the Legislature to address the underlying costs of drugs.

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