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March 1, 2022

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Hartford, CT 06106Representative Cara Pavalock-D'Amato
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Re: Testimony in Opposition to Bill SB 13- An Act Reducing Prescription Drug Prices - Oppose

Dear Honorable Chairs Lesser and Wood, Ranking Members Hwang and Pavalock-D Amato, and Members of the Connecticut Legislative Joint Committee on Insurance and Real Estate

On behalf of BIO, BioCT and our Board of Directors, as shown, we are writing in opposition to Senate Bill 13, An Act Reducing Prescription Drug Prices. BioCT represents over 250 life sciences companies, academic institutions, service providers and patient organizations, many directly engaged in the research, development and manufacturing of innovative products to improve patients' lives and public health as well as driving economic growth.

The Governor's legislation proposes to penalize drug manufacturers for increasing the price of a drug by more than CPI +2% in a twelve-month period. This provision ignores the reality of the true cost of prescription drugs which includes rebates and discounts determined by PBMs, payers and pharmacists. It also does not include hospital markups.

The Governor's proposal does not consider the impact list prices of a drug have to the actual cost of prescription drugs to the healthcare system. According to data from SSR Health, as analyzed by Adam J. Fein, Ph.D., CEO of Drug Channels Institute¹, net drug prices of brand-name drugs sold in the U.S., after accounting for all rebates and discounts paid out to third parties such as pharmacy benefit managers and payers, **decreased** in 2021 by 1.2 %. In fact, net prices **decreased** 2.2% in 2020 as well. This is proof that what patients pay involves more than just the pharmaceutical manufacturer.

If the goal of this bill is to truly reduce prescription drug pricing then any legislation must also include oversight of PBM's, payers, pharmacists, and hospitals. We recommend Connecticut be on the cutting edge and take a holistic approach to drug pricing that truly reduces patient out of pocket costs, while also supporting the entire bio/pharma industry and encourages continued innovation. Legislation that requires rebates and discounts to be passed on to the consumer at the point of sale is one example that would make a positive impact on patients at the pharmacy counter.

Thank you for your consideration. If you have any questions, please contact Dawn Hocevar at dhocevar@bioct.org or Ben Chandhok at bchandhok@bio.org. Thank you for your consideration.

Sincerely,

*Dawn Hocevar*Dawn Hocevar
CEO
*Ben Chandhok*Ben Chandhok
State Government Affairs Director, Eastern Region
Biotechnology Innovation Organization

¹ <https://www.drugchannels.net/2022/01/tales-of-unsurprised-brand-name-drug.html>

