



**AARP Connecticut Testimony on  
H.B. 5384: AN ACT CONCERNING PRESCRIPTION DRUG COSTS  
Insurance Committee  
March 6, 2018**

AARP is a nonpartisan, social mission organization with an age 50+ membership of over 38 million nationwide, and approximately 600,000 here in Connecticut. AARP empowers people to choose how they live as they age. We believe that state law should ensure that older adults have access to the prescription drugs they need, at a price they can afford.

AARP supports the intent behind H.B. 5384: AN ACT CONCERNING PRESCRIPTION DRUG COSTS, which would begin to address high prescription drug costs and provide additional price transparency. Specifically, H.B. 5384 would:

- Set strong standards for PBM transparency, including annual reporting of rebates and administrative fees (Section 1)
- Require significant reporting of prescription drug cost information by carriers to the Connecticut Insurance Department to inform the rate review process

Access to affordable prescription drugs is essential for a person to maintain their health and well-being, especially individuals with serious and chronic diseases that need continuous prescription drug coverage. Unfortunately, retail prices for 268 widely used brand name prescription drugs increased by 15.5 percent, according to AARP research in 2015. In contrast, the general inflation rate was 0.1 percent over the same period.

The pharmaceutical industry has long-argued that high drug prices are fair/necessary reflection of high costs incurred to bring drugs to market. However, the data behind the number cannot be verified and the methodology has faced a number of criticisms. In fact, we currently have no way of verifying how much a company actually spends on R&D. We also have no way to know how companies set launch prices or decide to make subsequent price increases. Thus, the new focus on transparency is really just a natural byproduct of industry's longstanding justifications for pricing practices. Connecticut should pass legislation that will shed some light into prescription drug pricing.

We look forward to working with this Committee to pass strong consumer protections that curb the cost of prescription drugs. Thank you.