



# **HB 5384 – an Act Regarding Prescription Drug Costs**

Committee on INSURANCE and REAL ESTATE  
March 6, 2018

Respectfully submitted by Heather R. Cascone – Senior Director, Government Affairs

Thank you for the opportunity to submit our testimony on HB 5384, an act regarding prescription drug costs. Express Scripts respectfully opposes the bill.

Express Scripts is pharmacy benefit manager, or “PBM,” and it is our goal to make prescription drugs safer and more affordable. We believe HB 5384 would unintentionally raise costs for consumers in Connecticut by mandating public disclosure of sensitive drug rebate information.

Section (b) of the bill requires PBMs to report pharmaceutical rebate data to the state Insurance Commissioner. As PBMs continue to try to keep drug prices down, it is imperative that the drug manufacturer marketplace be kept as competitive as possible. This competition is critical. HB 5384 acknowledges the importance of keeping drug and plan-specific rebate information confidential. Unfortunately, we believe that the risk of a failure to adequately protect the information is too great. Any public disclosure of rebate information would allow manufacturers to learn what type of price concessions other manufacturers are giving, thus establishing a disincentive from offering deeper discounts. This transparency will not lead to better health care or lower health care costs. In fact, the Federal Trade Commission (FTC) has stated that, “[i]f pharmaceutical manufacturers learn the exact amount of rebates offered by their competitors, then tacit collusion among them is more feasible” and “[w]henver competitors know the actual prices charged by other firms, tacit collusion — and thus higher prices — may be more likely.”

It is for these reasons we respectfully oppose HB 5384. If you have any further questions or concerns, please do not hesitate to contact me at (201) 269-6401 or [heather\\_cascone@express-scripts.com](mailto:heather_cascone@express-scripts.com).