

Testimony of ConnectiCare, Inc.

Submitted to

Insurance and Real Estate Committee

HB No. 5384 An Act Concerning Prescription Drug Costs

March 6, 2018

Senator Larson, Senator Kelly, Representative Scanlon and members of the Insurance and Real Estate Committee, thank you for the opportunity to comment on HB 5384. ConnectiCare was founded in 1981 by a group of local doctors who were committed to bringing their patients the best care possible. And now, more than 35 years later, our mission remains to help build healthier futures for our customers and communities. ConnectiCare currently serves 300,000 Connecticut residents. We cover almost 80,000 Access Health CT enrollees. Connecticut is our home, so we are driven to do more for our neighbors, with employees who live and work in the communities we serve.

I don't think there is any disagreement that the cost of prescription drugs is increasing at an unsustainable rate, and we appreciate the effort of the Health Care Cabinet to make recommendations on cost containment measures for prescription drug costs. Section 6 of this bill would change the pharmacy benefit to pass through the majority of any rebate at the point of sale.

ConnectiCare opposes Section 6 for the following reasons. The calculation to determine the net price post rebate is complex and not done in real time. This method only helps some members that have a drug that is rebated, and may spark members to ask for branded drugs instead of generics. This requirement would not provide relief for generic drugs, and little in specialty drugs which are the most expensive products on the market. Our estimates are this would increase pharmacy spend by 3 to 4%. Additionally, a point of sale rebate has not been enacted in any other state.

We are extremely sensitive to impacts premium increases have on our customers. We are particularly sensitive to the impact premiums have in the individual market, including the exchange, where we know that price is the main driver of whether or not a consumer will purchase insurance.

In terms of the remainder of the bill we look forward to working with the proponents of the bill.

ConnectiCare.