

**Connecticut General Assembly
Insurance and Real Estate Committee
March 6, 2018**

Representative Scanlon, Senator Kelly, Senator Larson, Representative Sampson, members of the Insurance and Real Estate Committee, my name is Jennifer Herz and I am Director of Government Affairs (East), for Boehringer Ingelheim. On behalf of Boehringer Ingelheim (BI), I submit this testimony in regard to Raised House Bill 5384, An Act Concerning Prescription Drug Costs.

Boehringer Ingelheim is a family-owned, research driven pharmaceutical company with approximately 2,500 employees in the state of Connecticut and 50,000 employees globally. We established our headquarters in the towns of Danbury and Ridgefield, CT in 1971 and we are the largest headquartered pharmaceutical company in the state. For more than 130 years, Boehringer Ingelheim (BI) has been committed to the research and development of innovative medicines that improve the lives of patients and their families.

BI appreciates that the Committee followed the recommendation of the Healthcare Cabinet to address the entire supply chain of healthcare stakeholders with this proposed legislation. Specifically, we appreciate the committee taking a holistic approach to ensure patients understand the role of each party involved in the drug supply chain by creating transparency throughout the process while still respecting the proprietary nature of information to allow for a competitive marketplace.

BI also appreciated being part of the Healthcare Cabinet workgroup discussions and look forward to continuing discussions with you about the specifics of this bill. Our goal is that no patient be denied access to our medicines because of cost and we are committed to doing the right thing for our patients.

The pricing of medicines in today's U.S. healthcare environment is a complex and understandably frustrating matter for many. Each patient's out-of-pocket costs vary depending on their insurance, specific drug benefits, distribution costs, their preferred pharmacy, and many other factors as well. We feel it is important to note that prescription medicines are the only part of the healthcare system in which costs decrease over time. To this end, growth in prices for existing branded medicines are projected to decline through 2021 by an average of 1 to 4 percent annually after accounting for discounts, rebates and generic competition, in turn contributing even less to overall healthcare costsⁱ.

BI welcomes the opportunity to further discuss this bill and answer any questions.

ⁱ Iqvia Institute for Human Data Science. Medicines Use and Spending in the U.S. - A Review of 2016 and Outlook to 2021. https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/medicines-use-and-spending-in-the-us.pdf?_=1520368867506. Published May 2017.