

CONNECTICUT CITIZEN ACTION GROUP

30 Arbor Street
Hartford, CT 06106

March 6, 2018

**TESTIMONY TO
INSURANCE & REAL ESTATE COMMITTEE
TESTIMONY IN SUPPORT OF
HB 5384 – An Act Concerning Prescription Drug Costs
SB 379- An Act Limiting Changes to Insurers' Prescription Drug Formularies**

Good afternoon, Senator Larson, Senator Kelly, Representative Scanlan, Representative Sampson and members of the Insurance and Real Estate Committee:

My name is Ann Pratt, Director of Organizing for CT Citizen Action Group- a statewide organization committed to putting people first and ensuring all CT residents have access to quality, affordable health care.

On behalf of the Connecticut consumers we represent throughout the state of Connecticut- we urge you to pass HB 5384- with the below mentioned changes strengthening this legislation- and SB 379 which creates common-sense restrictions on health insurance companies to deny or withdraw life-saving, essential coverage from health care consumers.

Pharmaceutical corporations, insurance companies and pharmacy benefit managers (PBM's) are wrecking havoc on our health care system- creating unjust financial, emotional and health threatening consequences for patients, families and communities. Outrageous, non-transparent drug prices focused on obscene maximization of profit taking- at the expense of American health care consumers- needs to be stopped. We believe that HB 5384 and SB 379 take important steps towards creating greater accountability of drug companies, insurers and PMB's in this state- although they also need to be strengthened.

We support setting strong standards for PBM transparency, including annual reporting of rebates and administrative fees. The reporting requirements of prescription drug cost information by insurance companies to the CT Insurance Dept for rate review's is also an important feature of this legislation.

However, we strongly urge this committee to lower the threshold requiring drug companies to justify increases from 25% to 10-16%- as is required in California and Oregon. This bill should also include the CT Healthcare Cabinet's recommendation to establish a Drug Review Board to investigate potential pricing abuses and make referrals to the Attorney General to go after excessive price increases.

Drug companies have at their disposal an excessive amount of resources and capital directed towards maximizing their profit taking mission and motifs. Health care consumers have none

of these resources. It is one of the fundamental roles that government needs to, and should play, to serve as a force to protect consumers from corporate greed and excesses.

A core example of this type of protection would be section 6 of HB5384 requiring drug companies to pass along “the majority of any rebate” to consumers. In the bill- this could mean as little as 51%. This is not a majority. We urge this committee to require that companies pass along all of this rebate.

We also urge committee members to pass SB 379 which protects health consumers from insurers’ attempts to take away essential life-saving coverage for needed prescription drug treatments.

It is vital for the state of Connecticut to change the rules of the game- holding pharmaceutical corporations, PBM’s and insurance companies accountable to providing reasonable, ethical health insurance coverage and products- without excessive profit taking and price gouging of Connecticut residents.

Thank you for this opportunity to submit our testimony on these two crucial pieces of legislation.

Ann Pratt
CCAG