Insurance Committee Public Hearing

Tuesday, February 14, 2023

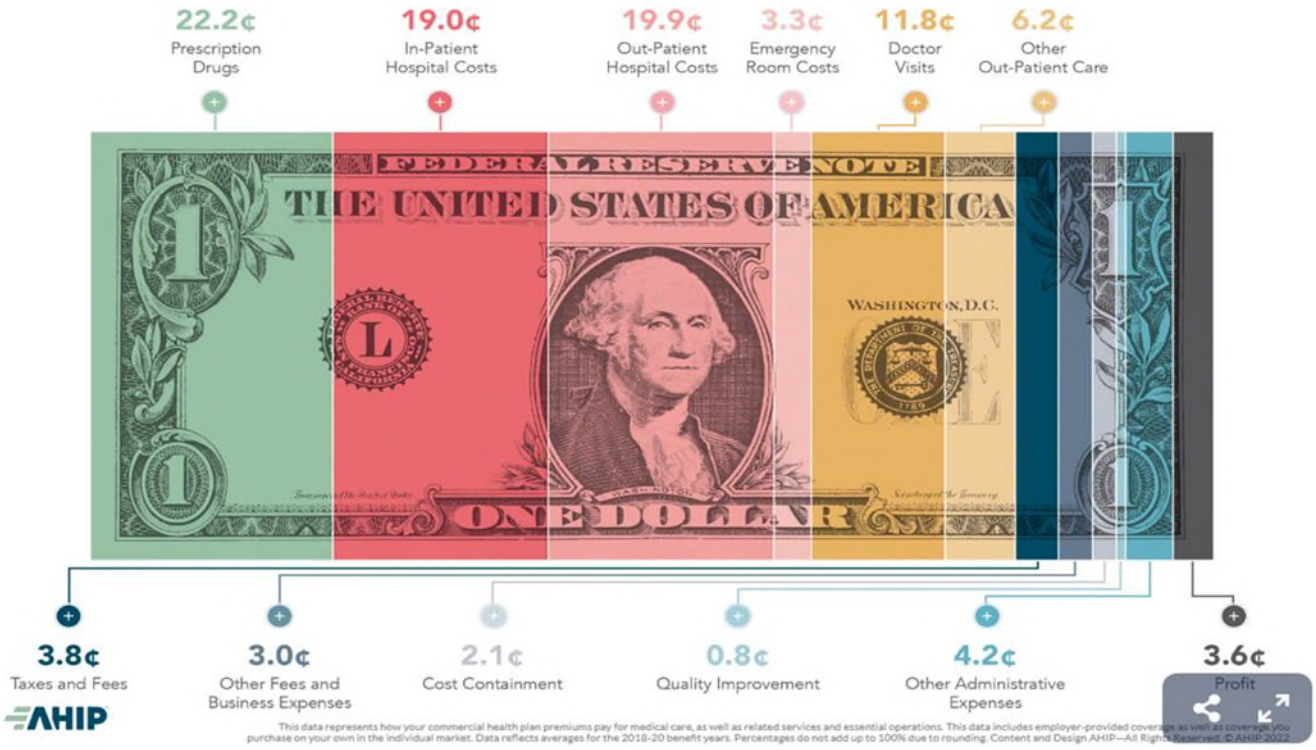
Connecticut Association of Health Plans

Testimony in Support of

HB 6619 An Act Concerning Pay for Delay

The Connecticut Association of Health Plans supports HB 6619 and urges passage.

Each year the cost of pharmaceuticals accounts for a higher percentage of the total health care dollar. Some estimates put it at 25%. America's Health Insurance Plans breaks it down as follows:



As reported last week in Governor Lamont's health care package, a recent analysis of more than 3,000 drugs by the Kaiser Family Foundation found the prices of more than half those drugs increased faster than the rate of inflation between 2018 and 2019, while the cost of 1 in 7 increased by more than 10%.

According to the Federal Trade Commission (FTC) website:

> *One of the FTC's top priorities in recent years has been to oppose a costly legal tactic that more and more branded drug manufacturers have been using to stifle competition from lower-cost generic medicines. These drug makers have been able to sidestep competition by offering patent settlements that pay generic companies not to bring lower-cost alternatives to market. These "pay-for-delay" patent settlements effectively block all other generic drug competition for a growing number of branded drugs. According to an FTC study, these anticompetitive deals cost consumers and taxpayers $3.5 billion in higher drug costs every year. Since 2001, the FTC has filed a number of lawsuits to stop these deals, and it supports legislation to end such "pay-for-delay" settlements.*

One look at a recent report published by Connecticut's Department of Insurance – the result of legislation passed by the General Assembly in 2018 – demonstrates the increasing use of various drugs which can easily be translated into the increasing cost of care.

The report aggregates the information and data submitted for calendar year 2020 as follows:

1. For covered outpatient prescription drugs that were prescribed to insureds under such health care plan during such calendar year, the names of:

    a. The twenty-five most frequently prescribed outpatient prescription drugs;

    b. The twenty-five outpatient prescription drugs that the health care plan covered at the greatest cost, calculated by using the total annual plan spending by such health care plan for each outpatient prescription drug; and

    c. The twenty-five outpatient prescription drugs that experienced the greatest year-over-year increase in cost, calculated by using the total annual plan spending by such health care plan for each outpatient prescription drug.

2. The portion of the premium for such health care plan that is attributable to each of the following categories of covered outpatient prescription drugs that were prescribed to insureds under such health care plan during such calendar year:

    a. Brand name drugs;

    b. Generic drugs; and c. Specialty drugs.

3. The year-over-year increase, calculated on a per member, per month basis and expressed as a percentage, in the total annual cost of each category of covered outpatient prescription drugs described in 2. above.

4. A comparison, calculated on a per member, per month basis, of the year-over-year increase in the cost of covered outpatient prescription drugs to the year-over-year increase in the costs of other contributors to the premium cost of such health care plan described below:

a. Inpatient Medical

b. Outpatient Medical (Non-Rx)

c. Professional

d. Other (if applicable)

5. The name of each specialty drug covered during the 2020 calendar year.

6. The names of the twenty-five most frequently prescribed outpatient prescription drugs for which the health carrier received rebates from pharmaceutical manufacturers during such calendar year.

Humira alone accounted for $25.7MM in annual total spend.

Connecticut Insurance Department 2022 Outpatient Prescription Drug Cost Report Submitted to the Insurance & Real Estate Committee Pursuant to CGS §38a-479sss March 1, 2022

2. 25 outpatient prescription drugs that the health care plan covered at the greatest cost, calculated by using the total annual plan spending by such health care plan for each outpatient prescription drug.

	DRUG	TOTAL SPEND	MAIN USES
1	HUMIRA(CF) PEN	$25,705,896	Arthritis, Crohn's Disease, Ulcerative Colitis
2	STELARA	$11,702,076	Plaque Psoriasis, Psoriatic Arthritis
3	REVLIMID	$7,710,050	Multiple Myeloma
4	ENBREL SURECLICK	$6,768,308	Arthritis
5	RAVICTI	$5,715,351	Hyperammonemia
6	TRIKAFTA	$4,945,090	Cystic Fibrosis
7	HUMIRA PEN	$4,210,112	High BP
8	DUPIXENT SYRINGE	$4,069,578	Eczema
9	BIKTARVY	$4,042,944	HIV-1
10	TECFIDERA	$3,246,238	Multiple Sclerosis
11	IMBRUVICA	$3,061,587	Cancer
12	JARDIANCE	$2,968,814	Type 2 Diabetes
13	ETANERCEPT	$2,812,657	Arthritis
14	GENVOYA	$2,581,411	HIV
15	IBRANCE	$2,492,855	Breast Cancer
16	OZEMPIC	$2,472,829	Diabetes
17	USTEKINUMAB	$2,382,018	Plaque Psoriasis, Psoriatic Arthritis
18	ELIQUIS	$2,370,138	Blood Clots/Stroke
19	SKYRIZI (2 SYRINGES) KIT	$2,340,065	Plaque Psoriasis
20	TAGRISSO	$2,257,078	Lung Cancer
21	CARBAGLU	$2,204,683	Hyperammonemia
22	VYVANSE	$2,054,983	ADHD
23	XYREM	$1,981,623	Narcolepsy
24	LANTUS SOLOSTAR	$1,820,025	Diabetes
25	SOMATROPIN	$1,766,460	Growth Hormone
		$113,682,866	

The table above reflects the combined responses of all health carriers and ranked to provide the top 25 greatest cost OP prescription drugs based upon annual spend in 2020. When combining each of the health carriers top 25 greatest cost OP prescription drugs based upon annual spend the total is $174,686,357.

The Association commends the Committee's attempt to ban "pay for delay" practices that prevent alternative, lower cost, equally effective drugs from coming to market.

We urge support for HB 6619.