



**CONTACT: Lynda Jackson
774-212-0286**

Statement by Lora Pellegrini, President and CEO of the Massachusetts Association of Health Plans, on Joint Committee on Health Care Financing Hearing on Pharmaceutical Access, Cost and Transparency Legislation

June 6, 2023

The Massachusetts Association of Health Plans and our member plans are strong supporters of legislation that reins in excessive prescription drug prices, while preserving vital health plan cost containment tools, and holds pharmaceutical companies to the same transparency and accountability standards currently required for health plans and providers in the Commonwealth.

We have worked closely with Health Care for All on proposed amendments to Senate Bill 749, *An Act relative to pharmaceutical access, costs, and transparency (the PACT Act)* to ensure that the Drug Access Program provisions relative to consumer cost sharing do not take away health plans' ability to negotiate lower prices for prescription drugs and effectively manage health care spending. This collaboration signifies the importance of the issue and the priority MAHP places on health care affordability, which remains a significant challenge for Massachusetts employers and consumers.

That's why at today's hearing, we will be testifying in support of the PACT Act which includes important provisions that require prescription drug manufacturers to keep costs in line with the state's cost growth benchmark, mandate participation at the Health Policy Commission's (HPC) annual Cost Trends Hearings and grant the HPC greater oversight authority over high-cost drugs. These are critical steps to understanding the true costs of prescription drugs and holding manufacturers accountable for excessive price increases. Health care cost containment and affordability are a shared responsibility among all players in the health care sector and the pharmaceutical industry must join providers and health plans in being accountable to the HPC for cost growth that contributes to rising premiums.

Prescription drug prices continue to skyrocket, outpacing growth in all other areas of health care spending, threatening the state's health care cost growth benchmark, and raising health insurance premiums for employers and consumers. The most recent HPC report found that since 2014, prescription drug prices have risen 33%, 20 times faster than the rate of inflation and outpacing price increases for any other medical commodity or service. In January of 2023 alone, drugmakers increased prices for nearly 1000 prescription drugs.

Keeping health care affordable is the biggest challenge facing all stakeholders in the Commonwealth. As employers and consumers continue to struggle with the rising cost of health care, policyholders must prioritize legislation that addresses the underlying costs of drugs and includes transparency and oversight provisions to hold pharmaceutical manufacturers accountable for the high prices they set.