



February 4, 2020

Representative Scott Lipps, Chair
House Health Committee
77 S. High St., 13th Floor
Columbus, Ohio 43215

Dear Chairman Lipps,

On behalf of the Ohio Association of Health Plans (OAHP), thank you for the opportunity to offer written opponent testimony on House Bill 418, legislation that eliminates an important tool used to help purchasers of health care afford pharmacy care.

The Ohio Association of Health Plans (OAHP) is the state's leading trade association representing the health insurance industry. OAHP's member plans provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare, Medicaid and the Federal Insurance Marketplace. Our members offer a broad range of health insurance products to Ohioans in the commercial marketplace and are committed partners in public programs.

Formularies are tools for assuring the selection of medications demonstrated to be safe, effective and affordable while maintaining or improving quality patient care. These tools are even more important for purchasers of healthcare in an environment where pharmaceutical manufacturers are dramatically raising drug prices.

Formularies may change in a plan year because a generic equivalent comes to market, or a drug manufacturer increases the price of a drug. Not allowing a change in formulary as a result of either of these situations will lead to increased costs for employers, taxpayers, and individual purchasers of healthcare.

A bill similar to HB 418 was introduced in Indiana that restricted the state employee benefit program's formulary. A fiscal note on that specific bill was released on January 30, 2020 which stated, "the prohibitions of the bill could impact state employee health plan premiums between **\$2.3 M - \$5.2 M per year¹**."

OAHP agrees with the underlying intent of HB 418 – to ensure Ohioans have access to affordable prescription drugs. However, rather than taking important tools away from purchasers of pharmacy care, OAHP believes the Ohio General Assembly should focus its efforts on the cost of prescription drugs and empowering Ohio's employers, individuals purchasers of healthcare, and taxpayers with tools to help drive down the cost of pharmacy care. For many, health care coverage is the only means of access to pharmacy care and taking coverage tools away will do just the opposite. HB 418 will drive up the cost of pharmacy care while allowing drug manufacturers to escape any accountability for the rising cost of drugs.

Thank you for the opportunity to comment on HB 418 on behalf of the more than 9 million Ohioans member plans provide health care coverage. We stand ready to work with policymakers to develop meaningful solutions that address the high cost of drugs.

¹ <http://iga.in.gov/static-documents/3/c/1/0/3c107847/SB0097.02.COMS.FN001.pdf>

Sincerely,

Miranda C. Motter

Miranda Creviston Motter

President and CEO

Ohio Association of Health Plans