

Testimony Supporting House Bill 135
Senate Health Committee, The Ohio Senate
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November 30, 2022

Chairman Huffman, Vice Chairman Antani, Ranking Member Antonio and members of the Senate Health Committee, my name is Kristina Moorhead and I am a Deputy Vice President of State Policy for the Pharmaceutical Research and Manufacturers of America, or PhRMA. PhRMA represents the leading innovative biopharmaceutical research companies who are discovering and developing breakthrough medicines to find cures and help patients live longer, healthier and more productive lives. Ohio's Biopharmaceutical Sector supports over 122,000 quality jobs throughout the state.

PhRMA is one of the over 60 patient advocacy and professional health care organizations that supports HB135, legislation sponsored by Representatives Susan Manchester and Thomas West that passed the Ohio House without opposition. We appreciate the opportunity to support the patients our industry proudly serves with HB135's common sense policy solution to help patients meet the ever-growing requirements of costly out-of-pocket expenses.

As patient costs have increased in recent years due to health plans' increased use of co-insurance and deductibles for prescription medicines, patients with a chronic disease or rare medical condition are disproportionately struggling to find the funds to pay for their care. When out-of-pocket costs exceed \$250, 69% of commercially insured patients did not fill their new prescription. These high out-of-pocket costs have a negative impact on patient adherence to their prescribed medication regimes, which can drive up medical costs when a patient's condition is no longer managed. Third-party assistance programs, such as those provided to patients by foundations churches, family members, drug manufacturers and other organizations, can mean the difference if a patient is able pick up their prescription or must go without their medication.

In recent years, health plans and pharmacy benefit managers (PBMs) have implemented accumulator adjustment programs. Those programs prohibit the utilization of any or specific third-party assistance concerning out-of-pocket expenses to count toward reducing a patient's deductible or annual out-of-pocket maximum. This has created unexpected "copay surprises" for patients in the middle of their plan year when they go to the pharmacy expecting to pay a copay, but instead must pay the full price for a medicine. One study of accumulator adjustment programs for patients taking autoimmune medicines found that after the program was implemented, there were 233 fewer autoimmune drug refills for every 1,000 patients.

I would like to reiterate some of the specific points of HB 135 that were highlighted in the sponsor testimonies of Representatives Manchester and West. From the beginning

of HB 135, this legislation has included language that would not interfere with the prescribing of generic medications for enrollees of health plans. Some claims have been made by opponents of the bill that third-party assistance programs drive patients to more expensive brand drugs when a generic is available. The language in HB 135 clearly negates that false assertion and makes it clear that health plans and PBMs will continue to have flexibility to manage their drug benefit designs. HB 135 DOES NOT mandate coverage of any medication simply based on the use of third-party financial assistance. HB 135 also DOES NOT alter the ability of health plans and PBMs to use utilization management tool, like prior authorization, to manage patient utilization. It is important to remember that health plans and PBMs ultimately decide what medications a patient can access, just as they also decide what doctors, hospitals and other health care facilities are available under the terms of the patient's health care coverage. HB 135 simply allows patients to use any form of third-party assistance to meet their ever-increasing out of pocket expenses.

Representatives Manchester and West also told this committee of the very important findings and recommendations of the Ohio Prescription Drug Transparency and Affordability Council. While PhRMA was not a member of this Council, our organization was one of the many groups asked to provide input regarding the access and affordability of medications. Many members of the Council were actual purchasers of health benefit coverage for their employees in both public and private settings, and were truly interested in formulating recommendations that would benefit both employers and employees. As you know, this Council, which also contained several prominent Ohio statewide business organizations, clearly listed in its recommendations that "customers would benefit if these copayment programs could be applied to members' deductible and out-of-pocket maximums." In this same recommendation, the Council also said Ohio should "expand options for the use of copayment programs produced by drug manufacturers to help defray the costs of expensive medications." It is important to remember that the purchasers of health care benefit coverage for their employees who were on this Council agreed with this recommendation as part of the final report. This important recommendation is the basis for HB 135.

Chairman Huffman, Vice Chairman Antani, Ranking Member Antonio and members of the Senate Health Committee, we urge you to vote for HB135 and join 15 other states in helping patients afford and have access to their medications. I will be happy to try to answer any questions that members of the committee may have.