



Representative Scott Lipps, Chairman  
House Public Health Policy Committee  
Ohio House of Representatives  
77 South High Street  
Columbus, Ohio 43215

***Re: Ohio Employers Against Health Care Hikes – Opposition to HB 177***

Chairman Lipps and Members of the Public Health Policy Committee,

I am writing on behalf of the Ohio Employers Against Health Care Hikes. Ohio Employers Against Health Care Hikes is a newly-formed, employer-led coalition focused on fighting government mandates that increase prescription healthcare costs in Ohio. We represent the voice of hundreds of small to mid-sized businesses across Ohio who employ your constituents and offer health care benefits to them and their families. According to a 2023 NFIB study, 98% of small businesses offering health insurance are concerned that healthcare costs will become unsustainable for them within the next 5-10 years. We hear this sentiment daily from our coalition members who are already combatting record inflation and growing regulatory costs. We respectfully submit this letter in opposition to House Bill 177.

We appreciate and respect Representative Manchester and other legislators who support this legislation and share the common goal of reducing prescription drug costs. However, HB 177 will have the opposite effect. HB 177 mandates employers accept drug manufacturer coupons for expensive brand name prescriptions and steers patients away from safe and cost-effective generics. HB 177 mandates that the employer count the value of the coupon toward the patient's cost-sharing requirement. This legislation, while well intended, may result in lower prices for some patients at the pharmacy counter but **will ultimately result in higher prices for employers and/or lower levels of coverage for employees receiving a prescription drug benefit.** Additionally, **this practice has been deemed an illegal kickback by the federal government and is outlawed under Medicaid and Medicare** plans because they give windfall profits to pharmaceutical companies and artificially inflate the costs of prescriptions.

For most of the working-age population, people receive their health care benefits, including pharmacy coverage, from their employer. Employers use a Pharmacy Benefit Manager (PBM) to control costs through plan designs that may include employee cost-sharing such as copays and other features that keep prices steady for employers and

their employees. When legislation is introduced that places costly mandates on employers, as is the case with HB 177, the government inserts itself in the relationship between the employer and its employees and pits them against each other putting pressure on the employer at the end of the day. As a result, employers face unwelcome options including absorbing the increased costs, passing the costs on to employees, or reducing the overall coverage benefit. Additionally, intrusive government mandates under the guise of healthcare affordability lead to more hardworking people being driven to the exchange and ultimately, a government takeover of our nation's health care system.

Unfortunately, employers are seeing more and more bills introduced across the country and here in Ohio that drive up the cost of health care and prescription drugs, reduce access to care, and endanger patients. That is why employers have joined together across the country to form coalitions, such as Ohio Employers Against Health Care Hikes to educate lawmakers on the impact coverage mandates have on the cost and access to health care for employees and urge their opposition.

We hope that you will consider the perspective of employers in your districts as you weigh whether to support new mandates and restrictions on the tools those employers use to control prescription drug coverage for their employees and vote no on House Bill 177.

Please feel free to reach out to us with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elle Crader', written in a cursive style.

Elle Crader  
Ohio Employers Against Health Care Hikes