

April 29, 2021

Committee on Health Coverage, Insurance and Financial Services
Senate Chairwoman Heather Sandborn
House Chairwoman Denise Tepler

Dear Members of the Committee on Health Coverage, Insurance and Financial Services:

As state and national organizations representing a wide range of U.S. taxpayers and consumers, we write today in opposition to [LD 1117](#), Maine's Act To Prevent Excessive Prices for Prescription Drugs, which seeks to impose pricing constraints on generic drug manufacturers. While working families, small businesses, seniors, and especially society's most vulnerable patients are bearing the brunt of rising prescription drug costs, a "solution" that only targets generic pharmaceutical manufacturers jeopardizes the very industry that is a key to holding down drug prices. The Maine Legislature would be better served promoting policies that encourage drug competition, which would increase consumer choice and promote patient access to lower cost drugs, ultimately benefiting consumers.

The statistics overwhelmingly support the role generic drugs play in controlling prescription drug costs. Today, generic drugs represent 90% of all prescriptions filled but are only 20% of overall prescription drug spending. And while the price of brand-name drugs increases, market data show the price of generic drugs falls year after year. In fact, an Express Scripts Drug Trend Report from 2020 notes that since January of 2016, the price for commonly used generic drugs has dropped by 42%. In total, generics saved Maine – including patients and critical government programs – \$1.2 billion dollars in 2019.

If LD 1117 takes effect, the threat of legal action from the Attorney General will undoubtedly chill generic competition, limit consumer choice, and ultimately impede patient access to lower cost drugs. The only beneficiary of LD 1117 are the largest pharmaceutical companies whose profits will be protected from generics competition. Let the lower-priced generic manufacturers compete against larger brand name manufacturers.

In sum, LD 1117 is anti-taxpayer, anti-patient, and anti-free market. We believe that it serves as a cautionary tale for other policymakers – at the federal and state level – about how NOT to pursue prescription drug cost reform. In fact, the Fourth Circuit struck down similar legislation in 2018, stating that this type of legislation is unconstitutional.



We believe this legislation will raise consumer prices, not lower them, by imposing anti-competitive regulations on lower-priced generic drugs. Instead, Maine's elected officials should work to encourage competition to help keep drug prices under control.

Respectfully yours,

Steve Pociask
President/CEO
American Consumer Institute

Jonathan Bydlak
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CC: Senate and House Leadership
Senate President Troy Jackson