

Drug Price Transparency Act of 2018 (HB18-1260)

Testimony to House Health, Insurance and Environment Committee

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March 8, 2018

Thank you for the opportunity to present this testimony.

I'm Natalie Wood and I'm a senior policy analyst at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

The Bell supports HB18-1260 to create greater transparency around pharmaceutical drug prices. Rising prescription drug prices pose a real threat to the budgets of Colorado families. Consumers should be able to easily understand the price of their medications, how it affects the price of their health coverage, and how much it will impact their budget as a result.

High-priced pharmaceuticals pinch consumers financially and put their health at risk. National [research](#) from the Kaiser Family Foundation finds about a quarter of consumers taking prescription drugs have a hard time affording their medication, and 1 out of 10 people report delaying or skipping their prescription drugs as a result.

In Colorado, the number is slightly higher. The [2017 Colorado Health Access Survey](#) (CHAS) shows nearly 11 percent of Coloradans skip filling their prescriptions because they cannot afford it. Historical data from the CHAS shows this number has barely budged in nine years. Coloradans are experiencing higher out-of-pocket costs than other areas of the country as well. Recent analysis from the [JPMorgan Chase Institute](#) looked at customer out-of-pocket health care spending patterns in 23 states. Adults aged 18-64 in Colorado spent the most on health care, including prescriptions, an average of \$916 annually. This amount does not include what they spent using health savings or flexible spending accounts, and uses very conservative measures of drug spending due to the Institute's methodology.

About a quarter of Americans are burdened by medical debt, which includes costs for treatment and prescriptions. While those with chronic conditions or disabilities, lower incomes and limited assets, and no insurance or high deductible health plans are more vulnerable, other research by Kaiser shows no one is immune. [National](#) and [Colorado-specific](#) research demonstrates when consumers have problems paying for prescriptions they must spend down their savings, take a second job, accrue debt, spend time dealing with debt collectors, and in some cases, forgo spending on basic necessities like food, heat, or housing.

These data points pertain to out-of-pocket costs. The lack of transparency around the high price of prescription drugs also affects insurance premiums and health care spending, which

has other ripple effects on our health system. Consumers pay more for their insurance because their premiums go up. Public insurance programs like Medicaid are also pressured by rising pharmaceutical prices as their costs are tied to high overall costs. This impacts taxpayers and our General Fund.

Coloradans want relief. [Colorado's bipartisan Commission on Affordable Health Care](#) recommended we find ways to make pharmaceutical prices more transparent and publicly available. This is in part because people from all corners of the state demanded they do so. The Commission [spoke with residents](#) in Adams County, Alamosa, Colorado Springs, Grand Junction, Greeley, Sterling, and Summit County. While attendees acknowledged that to get the benefit of prescription drugs they may have to bear the brunt of the cost, they also agreed on the importance of transparency and their right to understand why these prices are rising.

Increased drug price transparency would arm the public with information about how rising prescription drug costs impact their health care costs and help them plan for these expenses. It would arm insurers, which includes the state of Colorado, and policymakers with tools to start pushing back on high costs. The Bell urges a yes vote on HB18-1260.

We thank Representatives Ginal and Jackson for bringing this bill to you today and thank the committee for the opportunity to share our thoughts with you.